Partnership and Participation in Mexican Urban Governance: the experience of 'historic centres' in Querétaro and San Luis Potosí

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Abstract

The implementation of neo-liberal policies in Mexico during the 1980s caused changes not only in the country's economic structure but also in political and social arenas. As a response to these changes, a reconfiguration of the Mexican state has been experienced. The thesis argues that the intertwining of decentralisation and democratisation policies has helped to promote Mexico's global competitiveness at the urban level. The thesis examines developments in urban governance in Mexico, with specific reference to Bob Jessop's concept of the 'entrepreneurial city'. The theoretical focus is upon three trends: the destatisation of the political regime, the denationalisation of statehood and the internationalisation of the state. The empirical focus is upon new organisational forms within urban governance where government and non-governmental stakeholders (including citizens and the private sector) from supranational, national and subnational levels interact.

The thesis is based upon primary research undertaken in two case studies of the historic centres of Querétaro and San Luis Potosí (via documentary review, semi-structured interviews and non-participatory observation). Data is used to analyse the development of new forms of political participation in these areas, specifically regeneration partnerships, neighbourhood boards and urban-popular negotiations (during the period 1997-2003). The research shows how the historic-centre regeneration partnerships have helped to legitimise ideas of collaboration and governance. However, enduring informal arrangements among local elites have limited the scope of new forms of political participation, particularly in relation to accountability and inclusion. A segmented system of participation has arisen, accentuated by the globalisation of the urban system, the endurance of social class, and the municipal bodies' lack of coordination in creating accountable and inclusive organisational structures. The research demonstrates the impact of international organisations upon national strategies related to the regeneration of historic centres, political participation and governance. The federal government has, in effect, been the coordinator of the policies and programmes followed by sub-national tiers. The case studies show how municipal governments have adapted top-down policies in the context of specific local pressures.

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Map, Tables, Figures and Boxes

List of Acronyms

AM*	*Antorchista* Movement, Qro & SLP – *Movimiento Antorchista*
AMWHC*	Association of Mexican World Heritage Cities
CANACINTRA	Chamber of the Transformation Industry – Cámara Nacional de la Industria de la Transformación
CMDS*	Municipal Council of Social Development, SLP – *Consejo Municipal de Desarrollo Social*
CO*	Citizen Organisms, SLP
COFIPE	Federal Code of Institutions and Electoral Procedures – *Código Federal de Institutiones y Procedimiento Electorales*
(CON)CANACO	(Confederation of) Chamber(s) of Commerce – *Confederación de la Cámara Nacional de Comercio*
COPARMEX	Employers Confederation of Mexico – *Confederación Patronal de la República Mexicana*
COPLADE	Committees for State Planning and Development – *Comités de Planeación y Desarrollo Estatal*
COMPLADEM	Committees for Municipal Planning and Development – *Comités de Planeación y Desarrollo Municipal*
DCP*	Direction of Citizen Participation, SLP
ECs*	Expert councils/committees
FAISM	Municipal Social Infrastructure Fund, Branch 33 – *Fondo Social de Infraestructura Municipal*
FAFM	Municipal Enhancement Fund, Branch 33 – *Fondo para el Fortalecimiento Municipal*
FIOZ	Independent Front of Zapatista Organisations, Qro – *Frente Independiente de Organizaciones Zapatistas*
FIQMA	Querétaro Environment Trust – *Fideicomiso Queretano para el Medio Ambiente*
HCB*	Historic Centre Board, Qro – *Patronato del Centro Histórico de Quéretaro*
HCCC*	Historic Centre Consultative Council, SLP - *Consejo Consultivo del Centro Histórico, SLP*
ICOMOS	International Council of Monuments and Sites
IDB	Interamerican Development Bank (Latin America)
IMF	International Monetary Fund
IMPLAN	Institute of Municipal Planning, Qro – *Instituto Municipal de Planeación*
INAH	National Institute of Anthropology and History – *Instituto Nacional de Arqueología e Historia*
LOPPE	Law of Political Organisations and Electoral Procedures – *Ley de Organizaciones Políticas y Procedimientos Electorales*
NIB*	Neighbourhood improvement boards, SLP

NAFTA	North American Free Trade Agreement
PAN	National Action Party – *Partido Acción Nacional*
PDM	Mexican Democratic Party – *Partido Democrático Mexicano*
PRD	Revolutionary Democratic Party – *Partido Revolucionario Democrático*
PRI	Revolutionary Institutional Party – *Partido Revolucionario Institucional*
PRONASOL	National Solidarity Programme – *Programa Nacional de Solidaridad*
Qro	Querétaro
SLP	San Luis Potosí
SP*	System of Participation, SLP
SSPC*	System of Social Participation Councils, Qro
TCC	Transnational capitalist class
FCPU*	Felipe Carrillo Puerto Union, Qro
UNESCO	United Nations Educational. Scientific and Cultural Organisation

(*) These acronyms were formulated for coding and writing practicalities throughout the thesis. The rest of the acronyms kept the version with the most national or international and academic common usage.

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Chapter 1 - Introduction

This thesis is concerned with the role of partnerships and participation in contemporary Mexican urban governance. It has three aims:

- To analyse local public-private partnerships as part of urban policymaking;
- To research the attitudes and activities of social groups in relation to public-private partnerships;
- To analyse how municipal governments follow national urban policies and international organisations' recommendations on urban regeneration.

The background to these research aims is the implementation of neoliberal policies and the democratisation process that Mexico has been experiencing since the early 1980s. Neoliberal policies are not only associated with changes in the country's economic structure, but also in the political and social arenas. The thesis focuses on the reconfiguration of the Mexican state as a response to the latter changes, which can be observed through the national and local relations between government and civil society.

Studies of the democratisation process in Mexico generally concentrate upon the formalisation of electoral institutions and the changing balance between federal powers (executive, legislative and judicial) in order to achieve the rule of law (Levy and Bruhn, 2001; Middlebrook, 2004). However, the theoretical environment is split between those arguments supporting representative democracy and those supporting participatory democracy, which promote civil participation in policymaking. Even though these debates have been known for centuries, they have achieved a new significance in contemporary literature on public policy and political economy insofar as the relationships between governmental and non-governmental actors (at different spatial scales) have gained in importance (Brenner, 2004; Pierre & Stoker, 2000).

The literature on democratisation is vast. Authors such as Guillermo O'Donnell and Scott Mainwaring (1992), Larry Diamond (1999), Juan Linz and Alfred Stepan (1996) focus on the internal processes that state apparatuses tend to adopt in order to ensure a more democratic environment. Other authors such as William Robinson (1996), Bob Jessop (2002) and Neil Brenner (2004) have argued that democratisation and urbanisation processes have shaped the internal reconfiguration of the state which, at the same time, has been affected by the global changes that capital modes of accumulation have encountered over the last thirty years. Both perspectives are used in this thesis as a way of linking democratisation and state reconfiguration (named here as macro level processes) with the study of urban politics.

Based on the local level, the thesis traces links with two other levels of analysis: supranational and national. This is achieved by using analytical tools associated with the theoretical premises of 'governance' (Rhodes, 1996), urban regimes (Stone, 1989), and new institutionalism (Lowndes, 2001; Pierson, 2004). These tools (referring here to micro processes) focus upon the internal and organisational reconfiguration of the state at the urban level. The thesis considers that Mexico's high urbanisation rate facilitates the study of the reconfiguration of the state. The urban locality has attained more importance through decentralisation strategies that the Mexican federal government has promoted since the 1980s, supported, at the same time, by international organisations such as the World Bank and the Organisation of Economic Cooperation and Development (OECD, 1998; Giugale & Webb, 2000). The urban locality has also attained significance through subnational governments being more autonomous in negotiating with transnational organisations and corporations to promote local economic and social strategies.

In the context of these characteristics, the thesis is based on the theoretical concept of the 'entrepreneurial city'. The development of the entrepreneurial city is associated with three trends: the destatisation of the political regime, the denationalisation of statehood and the internationalisation of the state (Jessop,

1997*a*; 2002, ch. 5). This type of city is "concern[ed] to create new combinations of economic and/or extra-economic factors which will further urban competitiveness" (Jessop, 1997*a*: 31). In particular, public-private partnerships, alongside other forms of political participation, are considered as examples where extra-economic factors (i.e. organisational structures) are developed to support urban entrepreneurialism.

The aims of the thesis are investigated in the case study setting of the historic centres of Querétaro and San Luis Potosí. These cities are located in the Bajío Region, and have been recognised for their efforts in becoming strategic nodes for the country's economic and urban development (Cabrero, et al, 2003). However, their social and political context has led to differences in the operation of their organisational structures. The historic centres are considered a space where political and social relations are created. These relations encounter constant change, which contemporary literature associates with the globalising trend that political and social relationships encounter (Jones, 2005; Massey, 1994; 2005). These two historic centres are significant in building each city's image and their society's cultural identity. Their value is reflected in the conservation of the areas' layout and architecture that can be dated since the 16th century. This value is a way of manifesting the local and national identity of the people living, using and visiting the centres, which at the same time is immersed in a more globalised context.

The argument of the thesis is developed through bridging a gap between the macro level and micro level processes and by focusing on the empirical analysis that makes reference to the supranational, national and local levels of government. The 'supranational' term refers to groups of nations working together to achieve specific economic and political standards within a world where geographical borders are tending to blur or overlap, creating as a consequence new globalised spaces that undermine the traditional state centric understandings. The 'national' term refers to the central apparatus of the state and is used when referring to federal government's decisions and actions. The

'local' term encompasses subnational levels, such as regional and city governments but, within the thesis, 'local' refers specifically to the state and municipal governments.

Based on this argument, the thesis develops three research propositions:

- Public-private partnerships are organisational forms that express a tendency towards urban governance;
- Municipal government prefers public-private partnerships over other forms of participation as a means to promote the locality's urban entrepreneurship;
- Municipal governments play a brokerage role to maintain organisational forms of 'governance' (promoted by national and international standards) within a context of specific local pressures.

Studying public-private partnerships involves a focus on the role of stakeholders. These stakeholders are classified as governmental authorities, the local elite, and popular groups. The governmental authorities comprise all tiers of government: federal, state and municipal; however, a special emphasis is given to the role of municipal governments. The local elite is understood as the traditional landed classes and the middle class (including bourgeois, professional, managerial, academic and white collar groups) as well as local politicians. This elite has developed in the context of industrialisation, commercialisation and global capital growth. Finally, popular groups are considered here as those individuals with no or basic education and that have been marginalised from policymaking due to their economic and social status.

The research propositions are explored using a multiple case study approach, with an emphasis on linking theory and practice. This approach has been useful for questioning 'how' and 'why' civil and social organisations react to public-private partnerships in the historic centres of Querétaro and San Luis Potosí (during the period 1997-2003). The data were collected through methods of semi-structured interviews with the three types of stakeholders; documentary review of official and private reports and regulations; and non participatory

observations of partnership relationships and other forms of participation (and the urban context more generally).

Chapter 2 discusses how the democratisation process in Mexico has shaped the reconfiguration of the state at national and international levels. Chapter 3 argues that the intertwining of decentralisation policies and the democratisation process is part of a strategy to promote Mexico's global competitiveness at the urban level. Chapter 4 discusses the significance of urban governance as a general linkage of macro and micro levels of analysis and as a particular form of collaborative arrangement. Chapter 5 explains the research methodology by stating in more detail the research aims, theoretical propositions, and questions, within a case study approach. Chapter 6 introduces the socio-economic, political and cultural aspects of the two case studies. Chapter 7 examines the historic-centre regeneration partnerships of Querétaro and San Luis Potosí in relation to the theoretical premises of governance. Chapter 8 analyses the two historic-centre partnerships within the broader system of participation in the two cities. Chapter 9 examines the role of the two municipal governments in promoting the regeneration of their historic centres as they encounter national, international, and local pressures. Finally, Chapter 10 clarifies the argument and contributions of the thesis and reflects upon the limitations of the work and how they can be over come through future research.

Chapter 2 - The democratisation process in Mexico

Introduction

Contemporary debates about democracy are numerous and extensive and have a long historical tradition (Held, 1996; Weale, 1999). These debates deal with a range of issues within democracy: for instance its principles and devices (Saward, 2003); and the stages and process that effect its development (Diamond, 1999; Linz & Stepan, 1996; Robinson, 1996). From a mainstream contemporary perspective 'transition' and 'consolidation' are regarded as stages of the democratisation process. Democratisation in Mexico is interpreted as a transition from an authoritarian regime to a more pluralistic political system, and leading to the consolidation of its democracy (Cornelius, 1996; Levy & Bruhn, 2001). Both transition and consolidation have been 'open-ended' processes with no specific date of initiation. However, for the purposes of this research their emergence is located at the end of the 1970s, when neoliberal policies impacted upon the academic and political understandings of democratisation.

Mexican authoritarianism (1930s-1990s) had particular elements like the long 'one-party rule' system that exercised control over a wide range of interest groups to guarantee the state's continuity. The ruling political party was represented by the Revolutionary Institutional Party (PRI). This system was not monolithic as cliques within the central apparatus have been identified, as well as fiefdoms scattered throughout different national regions (Cornelius, 1996). But despite the factions identified within the system, it was able to persist due to the corporatist structures which did not allow competition within the state apparatus and other sectors of society. This granted a deliberate representational monopoly within respective categories (Schmitter, 1974). The different factions and sectors (categories) existing in this system promoted personal and deliberative relationships that were not accountable to other groups or to the public (Cornelius, 1996).

The chapter discusses how Mexico's integration to the global economy weakened the authoritarian regime by diminishing its economic interventionism and nationalistic strategies. However, what aimed to be an economic reformation, involved other changes within Mexico's political structure, social relations and state's reconfiguration in both national and international spheres. Two perspectives on democratisation are discussed: liberal democracy and democracy within a global context. The first section presents a discussion on Mexico's transition to neoliberalism and the implications in arenas other than the economic. The second discusses the perspective on liberal democracy and how its premises are useful in illustrating the Mexican state's internal institutional changes. The last section examines the contributions of analysing Mexico's economic and political transformation within a global context.

2.1. Neoliberalism in Mexico

Studies about the implementation of neoliberal policies in Mexico began with a focus on the structural adjustments and reforms that followed the1982 debt crisis (Fourcade-Gourinchas & Babb, 2002). The adjustments and reforms aimed to restructure Mexico's economy; however, after more than twenty years of implementation they have created changes in other arenas such as the political and the societal, which were at first not considered as part of the economic transition (Rochlin, 1997; Wise et al, 2003).

The economic restructuring of Mexico responded to an international context where globalisation of finance started to be encountered. The globalisation of finance resulted from various market developments (Helleiner, 1994: 7) such as: (1) An increase in the demand for international financial services that accompanied the growth of international trade and multinational corporate activity in the 1960s. (2) The ability of international private banks in responding to the financial imbalances caused by the 1973 oil price rise, this response encouraged deposits by Arab oil-producing states and the borrowing of those

funds by deficit countries. (3) The growth of international trade and multinational corporate activity created rapid changes in the international financial markets that ended with the control of capital mobility (held by a semi-fix exchange system) supported by the Bretton Woods agreements, established by the banking systems of the US and Europe after World War II. (4) Consequently, by the end of the 1970s a floating exchange rate system was adopted by developed countries as a way to cope with the pressures generated by an increased internationalisation of trade (Helleiner, 1994). The floating exchange rate system was supported by American intellectuals and industrialists who dominated the financial international market, aiming to position the dollar as a world currency, overtaking gold.

The reforms in the international financial markets implied a climbing of interest rates and a collapse of the stock markets that deeply affected those developing countries involved with immense amounts of foreign loans, such as Mexico (Helleiner, 1994, ch. 8). Just as other Latin American countries, in the 1970s, Mexico encountered an external imbalance caused by a decrease of national earnings from exports and international capital flows that the import-substitution-industrialisation (ISI) model generated (Gwynne, 2004). This model was implemented since the 1940s as a way to promote an autonomous economic development in the region. The ISI model restricted international trade, foreign investment, and the transfer of technology that multinational corporations started to develop (idem). These characteristics left Mexico in a vulnerable position when it had to encounter the external internationalisation of markets and the international financial reform.

The massive loans that Mexico had incurred by 1982, rendered the country unable any longer to service its foreign debt. This announcement prompted the US Federal Reserve Bank to secure a bridging loan with the members of the Bank for International Settlements in order to stop a likely international financial crisis (Helleniner, 1994: 176). This loan was transferred to the Bank of Mexico and as a condition of receiving a stabilising loan, Mexico had to implement the

International Monetary Fund's strict public austerity package and a restructuring programme that moved the country's economy toward an export-oriented model (Baer & Maloney, 1997; Levy & Bruhn, 2001, ch. 6). This restructuring programme was later encompassed by neoliberal policies that implemented a fast liberalisation of trade and interest rates, privatisation of public services and benefits, fiscal and monetary reforms, and the decentralisation of the political system. In 2005, Mexico was still in the process of consolidating structural programmes related to the enhancement of a federalist system and the privatisations of pension schemes and the energy sector; all of them supported by a range of international organisations such as the World Bank, the World Trade Organisation, and the Organisation of Economic Cooperation and Development (OECD) (Charnock, 2005; Giugale & Webb, 2000; OECD, 1998).

Neoliberalism, which can be considered as a set of economic principles based on the ideology of free markets, prompted in the Mexican case the creation of the North American Free Trade Agreement (NAFTA) in 1994. For some scholars this agreement has been considered the 'icing on the cake' for Mexico's integration to the world economy, especially with the United States (Coatsworth, 1999; Fourcade-Gourinchas & Babb, 2002; Wise et al., 2001). The NAFTA helped to establish the rules for transnational corporations to locate production and market their goods and services in Mexico; taking advantage of the country's low salaries, abundant natural resources, weak and unenforced environmental laws, favourable tax structures for these type of corporations, and on improving infrastructure of road and communication networks (Wise et al., 2003). By the late 1990s, Mexico started to negotiate other free trade agreements, but this time with Europe and Japan as a strategy to expand its external markets beyond the United States and Canada. However, some scholars argue that although these strategies aimed to ameliorate Mexico's dependency on the US, the latter country is still the most important in shaping Mexico's external economic policies (Coatsworth, 1999; Levy & Bruhn, 2001).

The implications of NAFTA, at first, tended to be related to Mexico's liberalisation of trade. However, as the years went by, academics and practitioners became aware that the NAFTA implied other changes that altered the traditional understandings of national security and of social relations between the state and non-governmental organisations (Rochlin, 1997; Wise et al, 2003). The NAFTA formalised Mexico's shift away from more than forty years of defensiveness against foreign penetration pursued by the authoritarian regime, characterised by the ISI model. The authoritarian regime, governed by the PRI, encountered an erosion of the revolutionary nationalism of the early 1900s. With the NAFTA, national development started to be defined as the integration of Mexico into the rest of the world economy. This was reflected in the discourse of policymakers (i.e. technocrats)[1] who concluded that domestic policies were failing because they were out of line with the international economic imperatives (Levy & Bruhn, 2001: 1995). Also the Alliance for the Economic Recovery which brought together the Mexican state and the business elite after the 1994 financial crisis, exemplified how trade and international markets were considered as an immediate solution to overcome the crisis - through the promotion of a suitable environment for foreign investment and exports (Kleinberg, 1999).

The NAFTA has also generated a change in social relations between the state and civil society, as well as among national and international non-governmental organisations. The NAFTA has mainly generated bilateral flows between Mexico and the US in terms of trade, tourism, technology, migration, environment, agriculture and social movements (Levy & Bruhn, 2001; Wise et al, 2003). On each issue, national governments have played significant roles in promoting the agreement. However, actors outside government have also played relevant roles in influencing the NAFTA's policy decisions, especially big

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[1] Technocrats are a group of people that bring together the formal state apparatus with a network of universities, think tanks and corporate groups, all favouring the implementation of neoliberal policies and strategies. Technocrats have been influenced by the American neoliberal school of thought developed in the late 1970s and 1980s.

business groups (representing transnational corporations originated in Mexico, the US or Europe) and NGOs (promoting electoral democracy, human rights, and anti-capitalist discourses) (Kleinberg, 1999; Wise et al, 2001). The recognition of non-state actors in policy decisions underlines the importance of neoliberalism's effects on the processes and outputs of political decision making within and outside the state apparatus.

The internationalisation of the Mexican policy regime through NAFTA, accompanied by the involvement in policy of national and international non-state actors supports the theoretical view that the contemporary reconfiguration of the state involves. This view implies a move away from traditional conceptions of 'territoriality'. Traditionally, territoriality assumes that all social relations are organised within self-enclosed and bounded territorial geographies (Brenner, 2004: 38). Instead, the concept of 'social space' seems to work better within this view of state transformation as it involves an ongoing process in which the geographies of social relations are "continually reconfigured and where territoriality is intertwined with, and superimposed upon, an immense variety of emergent social spatial forms" – from supranational institutional structures (i.e. institutions regulating NAFTA decisions) to global financial flows, new forms of transnational corporate organization, global interurban networks and transnational diasporic communities – "that cannot be described adequately as contiguous, mutually exclusive, and self-enclosed blocks of territorial space" (Brenner, 2004: 66).

The questioning of territoriality involves a shift in the academic debate away from the Weberian concept of the state. Authors such as Neil Brenner (2004) and William Robinson (2004) argue that under the Weberian perspective territorial borders work to define a country's political organisation. In other words, territorial borders are considered as pre-given, fixed and unchanged, reifying the structure of the state within those geographical boundaries. However, the development in the modes of capital production towards capital

globalisation has rendered nation-states less appropriate units of analysis,[2] partly because they are no longer the main containers of the diverse economic, political, social and cultural processes that are the objects of study in the social sciences (Robinson, 2004: 89). This argument can be exemplified in the case of NAFTA in Mexico, where scholars have become aware of free trade not only having an effect upon the country's economic policies, but also having implications within the political and societal arenas, beyond traditional geographical boundaries (Levy & Bruhn, 2001: 259). Thus Brenner specifically argues that geographical boundaries are best understood as a medium and result of political strategies that the states formulate rather than considering them as a fixed permanent condition (2004: 77).

Brenner and Robinson's perspective on how the state is being reconfigured differs from the perspective of state reconfiguration understood as the 'internal' and 'external' 'hollowing out of the state' (Rhodes, 1997), where the state's role is seen as being undermined by the intervention of non-governmental actors in policymaking, creating as a result an environment of 'governance without government'. The former authors argue instead that statehood in the 21st century is neither retaining its primacy nor disappearing, but it is being transformed and absorbed by the historicity of social space and the polymorphic levels and scales that the process of globalisation involves. The reconfiguration of the state within this transformation renders the state a pro-activeness that scholars have identified with adjectives and concepts such as: 'coordinator' (between different scales of networks – Stoker, 1996), initiator (of those coordinating schemes Pierre & Peters, 2000; Robinson, 2003), or inheritor (of

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[2] Capital globalisation is understood as the process encountering deregulation of the international financial system and, thus of financial flows taking place in an integrated global system; decentralisation of production structures through information, communication and transportation technologies; a global presence of transnational corporations and a transnational fluid movement of the workforce (Robinson, 2004: 15). In a nutshell, globalisation has been achieved due to the flexibilisation of capital and labour and the technologies that have facilitated this.

old or previous state spatial organisations – Brenner 2004). Subsequent chapters will focus upon the pro-activeness of the state, as part of its reconfiguration process.

Under this transformationalist view of state reconfiguration, it is suggested that the term 'nation-state' is replaced by 'national-state'. Nation-state implies 'state-centrism', which is no longer appropriate as a unit of analysis; however, it can be used as synonymous to the terms 'country' or 'nation'. Instead, the 'national-state' term responds better to the reconfiguration of the state, as it is involved within the dynamic and 'transformationalist' process of globalisation (Robinson, 2004). Under the process of globalisation the pre-existing system of nation-states is important; however, other processes and institutions not based on the traditional concept of the state might also be taking place (Sklair, 2001: 2).

Some authors opine that international forces played a critical role in Mexico's transition to neoliberalism (Fourcade-Gourinchas & Babb, 2002). These forces include the globalisation of finance in the late 1970s and the debt crisis that affected many developing countries. In particular the debt crisis is considered as part of a broader historical process of globalisation (ibid). Mexican policymakers during the 1980s were influenced by the American higher education system favouring liberal markets (Coatsworth, 1999; Fourcade-Gourinchas & Babb, 2002). This influence was reflected in Mexico's adoptation of structural adjustment recommendations by the IMF. The restructuring measures were adopted in the 1980s, reaching their peak during the Salinas presidency (1988-1994).

President Salinas aimed for political modernisation which had combined neoliberal principles with civil society's democratic aspirations. Civil society put pressure upon the state as a response to the repressive strategies that the authoritarian regime had been implementing since the late 1960s. Neoliberal and democratic transitions have gone hand in hand in the study of modern politics in Latin America (Conaghan, 1992; Fourcade-Gourinchas & Babb,

2002). In Mexico, neoliberal polices broke with the interventionist and protectionist character of the authoritarian regime by minimising the state's public expenditure and regulation of the economy. As a consequence new social forces assumed roles that were performed by government, hence being able to challenge the state's authority (i.e. provision of public services by the private and voluntary sectors) (Wise et al., 2003). Reduced state interventionism weakened the authoritarian regime's corporatist structure, giving way to more political spaces where opposition groups could interact. The combination of external forces - pursuing the implementation of neoliberalism - with internal forces - aiming for an electoral democracy - has enhanced Mexico's electoral participation through the rise of opposition forces at national and local levels; it has promoted pluralism between actors of the public and the private sectors in policy decisions; and has diminished the repressive actions of government against rebellious social groups (without being completely eradicated) (Rochlin, 1997).

In the study of the relationship between neoliberalism and democracy, a liberal stream of thought has been able to analyse the impact upon political and societal arenas (Linz & Stepan, 1996; Diamond, 1999). At the same time, in trying to understand this relationship, a radical stream of thought has argued that the promotion of democracy aims to support the establishment of neoliberalism in Latin America - and global capitalism in a more general context. This later stream of thought sees popular democratic principles as being undermined by liberal democracy (Robinson, 1996).

The next sections discuss each of the two streams of thought for understanding the process of democratisation in Mexico. The first perspective refers to liberal development theories in which the achievement of a democratic state (through electoral institutions) offers better prospects "for accountable, responsive, peaceful, predictable, good governance" (Diamond, 1999: 3). These prospects are reflected in the institutional reforms that Mexico, until the early 2000s, has taken to achieve democratisation. The second perspective complements the

former by referring to electoral institutions as the starting point for promoting democracy at a transnational scale (Robinson, 1996). It also illustrates Mexico's democratic tendencies within a global context.

2.2. Liberal perspective as a base for democratisation

The liberal democratic perspective considers the process of attaining democracy as the best prospect for human development and modernisation. The process of democracy requires free and fair elections, which at the same time require political rights (such as right of free expression, organisation and opposition). The process of democratisation tends to maximise opportunities for self-determination and self-governing insofar as persons are able to live under the laws they have chosen. In addition, it is argued that democracy under liberalism provides the best means for people to protect and advance their shared interests which turn around individual property rights (Diamond, 1999, ch.1).

Latin American studies on democratisation have linked democracy and capitalism insofar as the former has been able to provide more stability and certainty to global capitalist interests guiding these countries' development (Robinson, 1996). The compatibility of neoliberal democracy with global capitalism illustrates why it was mainly pro-business groups in many countries such as Bolivia, Chile, Peru, Venezuela and Mexico that led the mobilisations promoting democratic regimes (Conaghan, 1992; Loaeza, 1991).

Under this perspective, the first stage of democratisation is a country's transition to democracy. Transition "requires open contestation over the right to win control of the government, and this in turn requires free competitive elections, the results of which determines who governs" (Linz & Stepan, 1996: 3). The emphasis given to fair and competitive elections is based on Joseph Schumpeter's statement on the creation of free and competitive electoral institutions and on Robert Dahl's concept of 'polyarchy'. However, polyarchy

considers electoral institutions as necessary but not sufficient to the highest feasible attainment of the democratic process (Dahl, 1989: 222).

This perspective has been criticised for separating and then linking the economic and political spheres. This has reduced democratic procedures and social life to the notions of individualism and to the reflection of the operating principles of the market and exchange value (Cole & Lambie, 2005). As a result, this contradiction has helped to maintain social inequalities under capitalism (Boron, 1995; Robinson, 1996). Robinson acknowledges this contradiction to the influence of Max Weber on Talcott Parsons' argument, who defines democracy as a separation of the political sphere from the economic sphere (1996: 49-51). But despite this separation, the liberal perspective still links the two spheres through the institutionalisation of markets as a necessary arena to consolidate a democracy (Linz & Stepan, 1996: 14). Markets are institutionalised insofar as they follow legal and regulatory frameworks enforced by the state apparatus. They are important for providing a material base for pluralism and the autonomy of civil and political societies (idem).

Free competitive elections are required as a way to enable the transition to democracy (Linz & Stepan, 1996). But electoral contestation has to be institutionalised for its consolidation, in the form of legal guarantees anchored in the rule of law and maintained by an impartial state apparatus. In addition, freedom of association and communication is necessary for democratic consolidation, thus giving an important role to civil society (Linz & Stepan, 1996:14). In other words, to achieve consolidation the *axis* for a democratic transition relies on competitive elections. And the necessary *satellites* that turn around the axis are the conditions of civil society's freedom, constitutional rules to allocate power democratically, accountability, and sufficient autonomy for a market economy to maintain a material base.

Even though this perspective has emphasised the creation of fair and free electoral institutions, it has also recognised that it is a 'minimalist' way of

understanding democracy. The empirical analysis of many countries developing electoral institutions, where significant portions of the population are mainly excluded from contesting for power or defending their interests, has underlined the need to focus on other arenas (satellites) that would help to improve or consolidate a liberal democracy (Diamond, 1999; Linz & Stepan, 1996). The characteristics of this perspective are further illustrated with reference to the Mexican case.

2.2.1. Mexico's democratic transition and consolidation. According to the liberal democracy perspective, Mexico's transition to democracy was initiated with the progressive defeat of the authoritarian regime in the late 1970s. The primary strategy (the *axis*) to achieve this transition was through the rise of competitive politics in 1979 up until the 2000 elections that helped to earn Mexico its democratic status (Levy & Bruhn, 2001: 112). Despite these achievements a democratic regime has not been guaranteed as many limitations have been identified regarding the *satellite* conditions stated above. These limitations have led some Mexicanists to term the country's regime as a 'semidemocracy'. Firstly, it still shows several elements that characterised the old authoritarian regime (i.e. limits to freedom of organisation and sequels of presidentialism[3] - Levy & Bruhn, 2001: ch.1). Secondly, new social and political changes, at national and local levels, have shown a potential to jeopardise the consolidation of democracy by turning back to repressive regimes (Cornelius et al., 1999).

Competitive elections as the axis for democratisation. Mexico started to develop competitive elections through the 1977 reform of the Law of Political Organisations and Electoral Procedures (LOPPE). This reform gave more

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[3] Presidentialism is understood as an "... individual leader ...[that] captures the majority vote...and then proceeds to govern arbitrarily without restraint from party structures, parliamentary processes of legal or bureaucratic norms..." at a national or subnational level (Whitehead, 1993:317.18).

space to electoral competition by allowing small political parties to register and by opening 100 additional seats in Congress, allocated to minority parties through proportional representation. The 1986 reform increased the number of these seats to 200 in the Chamber of Deputies and this system of representation also included state and municipal congresses (Levy & Bruhn, 2001; Rodríguez & Ward, 1999). The 1990 law reform doubled the size of the Senate through proportional representation. In this same year the Federal Code of Institutions and Electoral Procedures (COFIPE) guaranteed the autonomy of the Federal Electoral Institute from the administration in office. The COFIPE underwent sweeping reforms during the period of 1990-96. Among the various points reformed, inclusive and equal citizenship (as electorate) was recognised as an important element within federal and local electoral processes (COFIPE, 1996). Citizen participation has been recognised by plebiscite and referendum devices which tend to focus on specific political arenas; however, this varies across the localities (Alvarez & Castro, 1999). Additionally, as a way to guarantee contested elections across the country, state-level electoral institutes have been created in order to regulate state and municipal elections.

Evidence on this transition to democracy has been observed by scholars (Cornelius et al, 1999: 6; Levy & Bruhn, 2001: 101; Middlebrook, 2004) through the PRI losing the absolute majority in Congress in 1997; by the National Action Party (PAN)[4] winning the national elections in 2000; by the Revolutionary Democratic Party (PRD)[5] winning Mexico City's mayoral election in 1997, and when political control was ceded to opposition party governments governing between 55 and 60 percent of the total population in 1999. However, this competition has been mostly contested by these three political parties which tend to favour free market principles, especially the PAN and the PRI. This

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[4] The PAN represents a conservative political position on the right and it is the oldest opposition party to the PRI.

[5] The PRD represents the left political position. It was created after the 1988 elections but its predecessor was the National Democratic Front.

limited competition shows an example of how free elections are not a sufficient condition of inclusiveness and thus other conditions have to be considered.

Other (satellite) conditions for democratisation. The first condition or principle to consolidate a democracy refers to *civil society freedom of association and expression*. A way to legitimise the political system and political power is through the independence of the development and dissemination of ideas and information from the powerful to secure their authority (Beetham, 1991: 105; Gramsci, 1971). Within the consolidation process, Mexico has overcome several of the co-opting strategies that limited information during the authoritarian system by allowing, for example, its presidents and ministers be criticised by the media.

However, limitations on freedom of expression can be identified by the monopolisation of the media by a few wealthy groups, who generally support the government in office at national or state levels (Levy & Bruhn, 2001: 116-119). Regarding the quality of information, limitations have been identified by the lack of clarity on issues like legal public policy, drug trafficking and corrupt activities by politicians or officials in office. In relation to freedom of association, it can be said that it has been improved markedly by the emergence of political competition and of a more participative civil society through the creation of NGOs and civic organisations committed to social development (Santín, 2004).[6] But just like the authoritarian regime that did not permit legally organised threats to its rule, due to its corporatist system, new opposition governments like local PAN administrations seem intolerant to social organisations that do not fit with its individual-citizen participation methods (this is further developed in Chapter 8).[7] The result of all these limitations tends towards a 'legitimacy deficit' caused by a lack of confidence on the part of the constituents in the governing group in charge of maintaining and promoting the political system.

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[6] The number of NGOs increased by 191.33% from 1995 to 2000.

[7] See also Arzaluz, 2002; Ramírez-Saíz, 1998; Ziccardi, 1998.

The second condition for democratisation is *constitutionalism* to guarantee the rule of law. Here a hierarchy of norms is established to make action upon and by other arenas legitimate and predictable (Linz & Stepan, 1996: 14). Nevertheless, this predictability is threatened for example when corruption is tied to the political leadership selection process. During the authoritarian regime (1930-1990), the appointment of leaders was very common to maintain the regime's stability. By the early 2000s, corruption was diminished by a competitive leader-selection process within political parties. Open and free markets have rendered this type of process more accountable insofar as transnational consultants (i.e. Standard and Poors Annual Report - S&P, 2001) evaluate a locality's level of political competitiveness and transparency. This evaluation has worked as an indicator for investment - a relevant indicator if local governments want to develop and promote economic growth.

However, the strong focus in calling for international scrutiny has undermined the development of the local institutions - such as the judiciary or other governmental bodies' capacity-building (Levy & Bruhn, 2001: 137-38). At state and municipal levels, contested elections have helped in several cases to diminish corrupt activities by the checks and balances associated with a continuous alternation of political parties in office, especially between the PAN and the PRI.[8] It can be said thus, that the checks and balances promoted by competitive elections as well as by the international community have enhanced transparent procedures, but still local levels of enhancement are required.

A third condition for democratic consolidation is *accountability*. Fair elections provide a means for vertical accountability[9], but horizontal accountability also

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[8] When a PAN administration has been followed by a PRI government, corruption has still been found. The main difference in comparison to authoritarian times relies in that the accused have been punished and more complete information of the facts has been publicised (Ramírez-Sáiz, 1998).

[9] Vertical accountability "permits citizens to voice their demands to public officials... and to denounce these same officials from wrong acts that they may commit" (O'Donnell, 1998:113).

needs to be attained through liberalism and republicanism (O' Donnell, 1998). It is the existence of the last two conditions that will promote a more democratic system in countries like Mexico. Liberalism as a promoter of freedom diminishes 'encroachment', which occurs when one public agency trespasses upon the lawful authority of another, violating its autonomy or freedom. Republicanism as a promoter of the public good and of highest values "prohibits encroachment and strongly condemns corruption" (1998: 121). In order words, vertical accountability of the rulers to the ruled is important, but also horizontal accountability among officeholders in order to constrain executive power and to protect constitutionalism and deliberative processes (Diamond, 1999: 10).

In Mexico, with the development of competitive elections, elite networks have had to adjust to the new system that has tended to be more plural. First, this has encouraged the creation of professionalized preventive agencies like general accounting offices and rational-legal bureaucratic norms (i.e. sufficient taxable surpluses). However, this system has been achieved by federal, state and municipal agencies that have sufficient capacity to meet such responsibilities, leaving the poorer (rural) municipalities behind (García, 1999). Second, competitive elections have created a generation of 'technocrats' supporting neoliberal policies, but who have had a distant connection with the people; at the same time, old techniques of control and co-option have continued to be used.[10]

Progress regarding accountability has also been achieved as the degree of presidentialism has decreased. This means that deliberate appointment in political posts has diminished and that the president has stopped being the monopolist of political power. But the continuation of traditional centralism and fiefdom leaders allied to the old regime across the country, has encouraged divisive regional/local differences that could threaten national consolidation of democracy (Cornelius, 1999). It seems that "the democratizing system has

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[10] The creation of PRONASOL by President Salinas, in the early 1990s, became a strategy to unite technocratic ideals with the protectionist and patronage mechanisms of authoritarianism.

struggled to limit presidency without fatally weakening it" (Levy & Bruhn, 2001: 133). By maintaining a strong presidency (which is not only reflected in the President but also in governors at state and municipal levels), effectiveness is achieved by following local development objectives. This, in combination with a weak horizontal accountability ensures only a partial progress toward democracy. It is partial insofar as executive decisions could be held to be above the rule of law, ignoring the limits stated by republicanism. Additionally, a weak judiciary, despite a more active legislature in elaborating checks and balances to the executive, threatens republican principles even further (Rodríguez & Ward, 1999).

Finally, human rights abuses against dissident students, popular groups, peasants or professional journalists are not a new topic in Mexico as they have occurred throughout the authoritarian regime. What is surprising is that these abuses are persistent despite the actual demands for vertical accountability by Mexican civil society (Levy & Bruhn, 2001: 139). This persistence threatens liberal rights. As a result, it challenges democratisation insofar as the freedom that this political order is supposed to offer is undermined by coercive acts. This characteristic reflects how a political regime (whatever its type) tends to use consensual and coercive mechanisms simultaneously.

The last of the conditions facilitating a democratic consolidation regards the *institutionalisation of markets*. Institutionalised markets assure the socio-political acceptance of a free-market system and the roll back of the state economy (Linz & Stepan, 1996). Power in policymaking has been shared between governmental bodies and market organisations in order to favour the environment for capital development. This, as a result, enhances property rights and the autonomy of civil society in order to make actors (the media, social and private organisations) more active and responsible in public affairs; both important for pursuing vertical and horizontal accountability (O'Donnell, 1998).

The inclusion of market systems within democratic conceptions stresses the contradiction of the liberal perspective. The consolidation of market systems as a condition to provide a material base in a democratic political order stresses the importance of private property. On the one hand, this perspective legitimises "social and economic inequalities and privileges which rest in the monopolization by minorities of society's material resources" (Robinson, 1996: 52). But on the other hand, this perspective's democratic principles emphasise the importance of human equality and popular sovereignty. This contradiction has been overshadowed by the separation of the political sphere from the economic sphere, which has aimed for a political arrangement that legitimises inequalities within and between nations. These inequalities are enhanced by global production processes that favour capital and labour flexibilisation (Boron, 1995, ch1; Robinson, 1996).

As neoliberal policies have been carried out during the last twenty five years, it has been observed that "privileged Mexicans are more likely to enjoy access to freed media, organise effectively in autonomous interest groups and in elections, and become part of the decision-making leadership" (Levy & Bruhn, 2001: 141). These privileged groups include the middle and upper classes across the country, coined as the 'strong Mexico'. It has also been observed that strikes and demonstrations organised by popular or peasant groups have had political impact but have faced greater coercion than the protests organised by more privileged groups. As a response, government has used repressive mechanisms to keep the mass groups in line, but it does not go as far as the law would allow in controlling, for example, business or the Catholic Church (Levy & Bruhn, 2001: 142-44).

Besides the political inequalities that social classes encounter, there also remain serious socioeconomic inequalities, especially regarding income distribution. In 2000, more than the 50% of the population was considered as poor. The richest 10% of the population received 42% of the national income, while the poorest 40% received just over 11% of income (Wise et al., 2003: 3).

These facts underscore the 'equity trade-off' of liberal democracy in which "deprived majorities will at some future point win justice and equality through the freedoms afforded by liberal democracy" (Robinson, 1996: 64). Additionally, a reason justifying the repression and co-opting of marginalised groups - which have been considered as legacies of the authoritarian regime - is the existence of coercive mechanisms that underpin the social order in any type of regime. Physical repression has been a last resort within a democracy. The last resort premise relies on the domination trade-off which first tries to convince through legitimate means rather than repression. Even though the existence of poverty may not be considered as physical repression, the material repression that capitalist societies generate cannot be denied.

Neoliberal reforms in Latin America have been considered effective tools for democratic consolidation. In the absence of such reforms, 'populist' democracies (following the masses interests) might generate unstable, ineffective and incoherent regimes (Whitehead, 1993: 321). Consequently, to suppress popular demands, many features of a full liberal democracy (i.e. high participation, authentic political choice, extensive citizenship rights) are violated or limited by the neoliberal regime. These contradictions weaken the influence of the power structure's legitimacy, as the ideas and norms that support this legitimacy encounter a low credibility by society (Beetham, 1991).[11]

These contradictions of liberal democracy have prompted some academics to focus on 'popular democracy'. This approach considers citizen participation as a political sphere that is not separated from the economic sphere. Citizen and social participation are considered as an instrument for empowering

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[11] This low credibility can be observed in the unchanged 53% of Mexicans who preferred democracy as a political regime in 1996 and 2003. In 2002 it reached 63%, its highest point since 1996. However, the highest percentage does not coincide with the biggest changes favouring contested elections during the period of 1996-2000, which in theory should have made more people prefer democracy (data from the World Bank cited in *The Economist*, 1/11/2003).

marginalised groups. Liberal democracy has considered civil participation as a means to contribute to development, but it has fallen down in incorporating participation in the planning and execution stages of policymaking. This incorporation has been studied further by scholars who consider participation as part of project planning and evaluation (Schonwalder, 1997; Taylor, 2003).

The criticisms raised by the supporters of popular democracy have prompted liberal supporters to argue that the consolidation of democracy is a 'perfectible' and 'open-ended' process (Dahl, 1989; Diamond, 1999). It needs to consider, in addition to the *satellite* conditions, a more inclusive and rigorous participation as well as a continuous growth of citizens' knowledge, resources and competence. With all these conditions taken into account, the mass public and the legitimacy of elected officials may increase. Beyond this, increasing competence in terms of citizenship and participation in the political process will spill over into other arenas of social life such as: an increased civic engagement and community networks, and the generation of trust, reciprocity and cooperation (Diamond, 1999:18-19). Many of these latter conditions have been encompassed under the study of 'governance', which this thesis considers as a process within democratisation (see Chapter 4).

Despite the differences in the use of democratic principles in liberal democracy and popular democracy, politicians have introduced a combination of representative and participatory methods within the policy process generating, as a result, a conflated conception of democracy. As a response to the latter, a more radical perspective on democracy has been developed, which argues that democracy is a political strategy to support the development of global capital.

2.3. Democratisation within a global context

Under this perspective, Mexico's democratic 'transition' and 'consolidation' can be understood in relation to a global context. Here the economic and political spheres are not separated and thus the state (not in its traditional form) can

facilitate new economic and social relations that go beyond national institutions and territoriality (Brenner, 2004; Robinson, 2004).

For Robinson, democracy is considered as an instrument that helps to maintain the social structure of capital accumulation. This social structure:

> refers to a set of mutually reinforced social, economic and political institutions and cultural and ideological norms which fuse with, and facilitate, a successful pattern of capital accumulation over historic periods of time (Robinson, 1996: 32)

It is this intertwinement of the socioeconomic and political spheres, within the social structure of capitalism, which highlights the main difference with the perspective of liberal democracy. For Robinson a new social structure has been emerging since the 1970s, accelerated by the globalisation of finance and technology. This social structure has created a single field of global capitalism which has been integrating various polities, cultures and institutions of different national societies into a transnational society.

There are different perspectives in understanding the phenomenon of transnationalisation. For Leslie Sklair it is a phenomenon where processes and institutions cross borders but do not necessarily derive their power and authority from the state (2001: 2). For Robinson, the single field of global capitalism has led national societies to adapt to a new global order where the promotion of democracy has been promoted by an *incipient* 'transnational state' (2003: 13-14).

It is through the existence of a 'transnational capitalist class' (TCC) that a primary supporter in maintaining capital globalisation is found (Robinson & Harris, 2000; Sklair, 2001). This class is dispersed throughout every country in the world. However, the dispersed foci encounter the interests of those national capitalist groups which favour regulatory and protectionist mechanisms, whereas the transnational faction looks for an expanded global economy based on worldwide market liberalisation (Robinson, 2004, p. 41). For Robinson this

class is formed by the shareholders of transnational corporations and financial institutions distributed worldwide; whereas for Sklair the TCC also includes bureaucrats, politicians, professionals, merchants and media that support the development of transnational corporations (2001, ch.2).

Robinson's (2003) analysis of the TCC is appropriate for this thesis as it has suggested arguments based on the case of Central America, which are similar for the study of Mexico. For him, it is in the interest of the TCC to support the development of neoliberal and democratic policies. The TCC, according to Robinson, is becoming a 'faction of the world bourgeoisie' and it is in the process of attaining a global rule. As a faction it has confronted other factions with national capitalist interests. In Latin America, the old oligarchic landowning and business elites subject to ISI policies had to mould their interests to export markets. This moulding period has been contested by the old elite factions; however, a tendency of adapting and joining new groups who are oriented to transnational capital is increasingly observed (Robinson, 2003). This matter is exemplified for the Mexican case in Section 2.3.1.

The TCC aims to find institutional means to promote, develop and maintain economic projects favouring global capitalism through neoliberal and democratic policies. Following this argument, Robinson takes Dahl's term of 'polyarchy' a step further. He argues that polyarchy refers to a system in which a dominant group actually rules, and participation of decision making by the majority is confined to choosing among competing elites (who built transnational networks), in tightly controlled electoral processes (1996; 2003: 53). Thus, polyarchy is defined as 'democracy promotion' throughout the world. The purpose of promoting democracy is not to suppress but to penetrate and open-up civil society (i.e. private organisations such as political parties, trade unions, or the media) and from therein integrate the subordinate classes (i.e. marginalised groups) and national groups, through consensual means, into a hegemonic transnational order (1996: 29).

For the TCC to dictate the character of global production, Robinson recalls the Marxist understanding of the state that, combined with the transnationalisation argument, proposes a transformation of the state. The state's transformation aims to "facilitate the conditions for the new type of relations developing under globalisation" (2004: 98). The TCC as the dominant class seeks to exercise its rule through political institutions. This exercise tends to control capitalist relations of production as well as the reproduction of political and cultural institutions (favouring the rule of the dominant class). The attainment of this exercise seems to rely on transnational institutions which have the potential to constitute a 'transnational state'. Robinson considers that the transnational state may be a 'multilayered' and 'multicentred' apparatus which will be comprised of a network of nation-states together with supranational economic and political forums (i.e. World Bank, IMF, United Nations, OECD).

Under this global perspective, Brenner's (2004, ch. 3) concept of the reconfiguration of the state can also be incorporated. He argues that globalisation effects have created new 'state spatial strategies' that are oriented toward the reproduction, modification and transformation of the inherited frameworks of state institutions to regulate social and economic relations on various geographical scales. This argument underlines the significance of state transformation not only towards the creation of supranational bodies but also towards the creation of subnational state apparatuses that support global capitalist needs. Global economic and socio-political systems have changed the traditional conception of nation-states which are subject to national territoriality. Instead the importance of territoriality is considered as a continuously evolving space (Brenner, 2004; Cox, 1983; Payne, 2001, Robinson 2004).

The global perspective has introduced into the academic debate the concept of transnationalisation and its implications upon the reconfiguration of the social class structure, the state and territoriality. Within this debate democracy can be considered as a political order that helps to maintain global capitalism. However, the pre-existing structures of the nation-state apparatus are still

relevant from this perspective, as they are shapers of the transnational environment. For example, Robinson (2003: 46) argues that national-states have followed new strategies to support the changes generated by global capitalism, by achieving macroeconomic stability (reforming fiscal and monetary exchange policies) and by providing infrastructure necessary for global capital activity (liberalisation of trade and finances, the deregulation of economic policies, and the privatisation of the public sphere in arenas such as public services, communication networks and the supply of services needed by transnational corporations). This can be illustrated for the case of Mexico in the 1980s, where changes in the authoritarian regime were started to become apparent:

> The Mexican single-party system, coupled with weak democratic institutions, strong corporatism and a powerful centralized presidency, insulated technocratic policy makers form political pressures [against the free markets rationale] and enabled them to carry through reforms more quickly than would be tolerated in most full-fledged democracies (Fourcade-Gourinchas & Babb, 2002: 561).

Based on the Mexican experience, the next section presents in more detail the premises of this second perspective on democratisation.

2.3.1. Mexico's democratisation in global perspective. The global perspective on democratisation is helpful in describing the changes in social relations present in Mexico during its transition to democracy and through its current democratic consolidation. It is not the purpose of this section to describe in detail all the types of social relations, it will mainly focus on those key changes that both the dominant groups and the subordinate groups have encountered during this transition.

The authoritarian regime emanated from a revolutionary stage in 1929, where the ideas of national sovereignty and social justice were the premises that originally supported the PRI. But despite the mass ascendancy of the PRI,

throughout the period of power, it manifested the opposite. The contradictions to its premises were observed through its cordial relationship with entrepreneurs, the low mobilisation of social groups as a mode to restore political order, and the favouring of national capital accumulation (O 'Donnell, 1979; Smith, 1979).

The authoritarian state responded to two types of pressure. The first one came from 'above' and favoured national capitalist interests. An 'alliance for profits' existed between the state and entrepreneurs, resulting in a wide scope for consultation between them (Reyna, 1977). Elite entrepreneurs did not react to the scope of political decisions, instead they responded to the will of the president. Even though they did not play an active role in policymaking, entrepreneurs were the most privileged and influential sector as no other social groups challenged them (Purcell & Kaufman, 1977). The only body able to do this was the authoritarian state when it followed policies detrimental to the business sector. These detrimental policies acted as a response to the second pressure that came from 'below' representing workers, peasants, and other popular groups. This pressure was generally repressed, but the morality and solidarity enshrined in the premises of the PRI and in the constitution led the state to respond to some of these groups' demands (i.e. the implementation distribution programmes such as the sharing of profits). However, the detriment of capital that these decisions generated, in the end, implied less radical expectations in favour of the business sector (Purcell & Kaufman, 1977). These two pressures led the authoritarian state to become an actor with highly-developed abilities of negotiation and deliberate conciliation between opposite interests (elites vs. masses). The mechanisms to do this were the corporatist structures that allowed 'taking turns' as a way of avoiding conflict between potential competitors (Purcell & Kaufman, 1977: 207). In summary, the authoritarian state generated two different social strategies to deal with these two pressures: a government initiative in promoting business-public relationships and co-opted mechanisms for other social groups to relate with the state.

Additionally, dual economic policies allowed the regime become a populist government by addressing material needs demanded by the masses, as well as supporting national capital through ISI policies. But the economic crisis of 1982 generated a political crisis where the authoritarian state no longer had the political and financial resources that were used to maintain stability between the two pressures.[12] This limitation of resources was a condition established by the US foreign policy in order to re-negotiate the debt and loans between Mexico and international financial institutions. The weakening of one-party rule allowed a diversity of interests to react against the old structures of authoritarianism. Some groups favoured neoliberal structural reforms to attain democracy; whereas others supported popular democracy ideals insofar as neoliberal policies began accentuating political and socioeconomic inequalities.

The establishment of the new transnational elite. The 1980s international intervention in the promotion of neoliberal policies was followed by a threat to nationalism. This implied serious problems of identity as the sovereignty of the country was considered vital to maintain its self-determination. This was not only stated in the constitution through the doctrine of natural resources as a part of the national patrimony, but also in the bases on which economic policies were formulated. These economic policies underlined that "...foreign capital [was] not to control or even partially own any basic industries and that whenever possible, domestic production should substitute for imports or foreign own production" (Purcell & Kaufman, 1977: 199).[13]

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[12] The limitations of the authoritarian regime acted against high wages, the provision of infrastructure to cover basic needs, subsidies, and protectionist tariffs for foreign goods.

[13] The defence of national production was also reflected in the nationalisation of the Mexican oil in 1938 and in the 1982 bank nationalisation. However, the implementation of neoliberal policies prompted the re-privatisation of the bank industry in 1993; and the privatisation of the energy sector has been stalled due to the issue on national identity that the oil industry represents to Mexico.

However, the conditions stated by international stakeholders who adjusted the old economic structures clearly supported export-oriented policies that contradicted Mexico's ISI strategies developed after the 1950s. Additionally, the cuts in public expenditure and the fiscal reforms that prevented subsidies and extensive resource allocation to society diminished substantially the protectionist character of central government (based on Woo-Cummings, 1999). As a result, the decade of the 1990s showed, on the one hand, that decreased protectionism affected not only welfare policies for popular groups, but also the levels of competitiveness of those medium and small entrepreneurial and commercial sectors (within the middle class) who had previously benefited from a strong national market (Shadlen, 2001).

On the other hand, the structural adjustment policies also affected the elite groups but the impact was more focused on their change of strategies and social relations in order to overcome neoliberal reforms. This was identified within groups of politicians and entrepreneurs. Regarding the former, the state bureaucracy started to encounter changes, insofar as its members were identified as the first generation of 'technocrats' (Heredia, 1992; Morton, 2003; O'Donnell, 1993). They started to 'normalise' the economy in terms of free and open markets and in favour of the roll back of the state economy. It was this normalisation that initiated the path for the transnationalisation of the productive structure in the country, intensified in the 1990s by the deregulation of prices and interest rates, and the privatisation (national and foreign) of parastatal industries. The transnationalisation of the economy changed the structures of the old oligarchy, by allowing foreign entrepreneurs to form relationships with some groups of the old elite, especially in areas where foreigners had competitive advantage, such as in finances (Camp, 1989).

This new elite provided access not only to foreign direct investors but also to financial investors who in the medium term contributed to the globalisation of the financial system (Heredia, 1992, Salas-Porras, 2002). As changes in the oligarchic structures were developed, national entrepreneurs played a more

active role in trying to negotiate their position in the policymaking process. Their increased role was prompted by two factors: the emergence of TCC's interests in the country's political and economic stability in order to measure investment risks, and by national entrepreneurs who felt that their interests were threatened by international competitors. In other words a conflict of interests between dominant groups started to be generated within the crisis of the authoritarian regime.

An example of how the authoritarian regime was no longer able to cope with the effects of global capital accumulation can be observed in the 1982 nationalisation of the banking sector. This action was considered as a way to facilitate public debt management. For elite entrepreneurs this action was considered a blasphemy against private property and individual rights. So in order to 'limit the government's discretionary authority..., its corruption, and its tendency to become populist" (Kleinberg, 1999: 74), these dominant groups aimed "...to lift the state controls over them and to create a...consultative mechanism where business [was] regularly informed on economic policy and encouraged to enter politics" (72). These aims were promoted by elite associations such as the Mexican Council of Businessmen and the Mexican Bank Association (which have been concerned with the government's achievement of stable macroeconomic conditions and the internationalisation of markets) (Luna, 2004).

A strategy to counterbalance the government's authoritarian decisions was the use of existing organisational structures offered by the opposition political party, the PAN. The liberal ideas that entrepreneurs followed coincided with the ideology of this party, as it favoured property rights over the state and considered the vote as the most accurate form of individual political participation. The integration of these entrepreneurs increased the party's resources which helped to promote its influence on a national scale. Its opposition to the PRI appealed to other social groups that were also against it, but that did not necessarily coincide with the liberal ideas promoted by the PAN.

However, its innovative mobilisation drew these groups' attention. Their integration made of the PAN a national interclass party for some period of time (beyond the interests of the upper-middle class and the Catholic Church). Regionally, the interclass integration of the PAN promoted local entrepreneurs to participate in state level politics which were supported, at the same time, by popular groups. Initially, the states of the north started to push for transparent elections, achieving for the first time, by the end of the 1980s, state and municipal governments (Mizrahi, 1994; Rodríguez & Ward, 1994).

The importance that the top entrepreneurial sector represented for central government made the following federal administrations (under the transition process, 1982-2000) look for strategies that attracted the private sector, making of it an ally instead of an enemy. Structural adjustment policies, such as privatisation and deregulation of markets, convinced entrepreneurs to support the reformed state. Additionally, debt relief schemes and the expansion of financial markets during the 1983-87 period; the re-privatisation of the bank in 1993; and the active role of elite entrepreneurs during the NAFTA negotiations, in the first half of the 1990s, facilitated a rapprochement between public-business relationships on a national scale (Heredia, 1992: 16; Kleinberg, 1999). Hence, the PAN's potential to win the 1988 national elections was weakened mainly by the ability of the PRI-regime to regain the elite entrepreneurial sector's confidence; and by the ability of the PRD and the PRI to attract popular support as they represented more genuine interests or implemented co-opted policies such as the PRI with PRONASOL (Loaeza, 1994; Dresser, 1996; Zermeño, 1990).[14]

The success of the PAN was extended to other regions of the country, especially in urban areas within the Bajío, where the alliance of regional

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[14] The PRD was identified with a political mobilisation known as *Neo-Cardenismo* following the name of its leader Cuauhtémoc Cárdenas and his father Lázaro Cárdenas. This mobilisation encompassed different groups that ranged from middle-class to popular interests, especially across Mexico City (Bruhn, 2000).

entrepreneurs and the PAN had endured throughout the last thirteen years. This alliance did not only incorporate local business but also popular groups that fought against corruption and the monopoly of central government decision making. The integration of these various groups and classes into one coordinated force created social mobilisations in the states of Guanajuato and in San Luis Potosí represented by *Navismo*, and the formation of *Alianza Cívica* that could be considered a continuation of *Navismo* at a national level (Reygadas, 1998). These mobilisations emphasised electoral democracy, making the vote the most important form of individual participation. As the elected representatives of these states developed their policies, tendencies for democratisation were identified by promoting accountability (i.e. clean and competitive elections, effective management, and professionalisation of the bureaucracy - García, 1999). However, the urban character of these mobilisations generated an uneven development when compared to poor rural municipalities with a weak financial and administrative structure.

The last years of the PRI-rule in the 1990s were characterised by the implementation of neoliberal policies that coincided with the PAN's interests. Thus these two political parties have represented competitive dominant groups encompassed by neoliberal interests (Levy & Bruhn, 2001). Liberal individualism was promoted in national discourses, as well as citizenship in which civil society was also held responsible for the national project, especially through electoral reforms and targeted poverty programmes (O'Toole, 2003; Rodríguez & Ward, 1999). But apparently this social inclusion was permitted insofar as it legitimated neoliberal interests.

Furthermore, the neoliberal policies implemented by the PAN and PRI, at a regional level, showed legacies of authoritarianism insofar as autonomous social organisations were not recognised by local authorities. Only those that participated through the channels sponsored by the state were validated (Haber, 1990; Morales & Contreras, 2000; Valencia, 1995). These local governments 'neutralised' and 'moderated' the demands of social mobilisations

in order to maintain the new capitalist regime, but introduced at the same time a more plural representation (Loaeza, 1994). This illustrates how dominant interest concentrated in government and elite groups sought to impose policies from above, but were constrained by the participative rights promoted by popular social mobilisations.[15]

Popular (subordinate group) mobilisations. Mexico's incorporation into an open economy affected directly the national sovereignty and social justice that the authoritarian state promoted throughout the post-revolutionary era. Neoliberal policies negatively affected the levels of real wages and public expenditure oriented towards education, health services, housing, and food subsidies – all of them benefiting (and protecting) popular groups.[16] The flexibilisation of the economy weakened unions, shifting union mobilisations out of the labour arena. Instead, these mobilisations started to become concentrated in urban areas in the various cities in the country that made demands based on material needs. During the 1980s important urban social groups demonstrated in Mexico City (Hellman, 1994), in various central and northern localities (Arzaluz, 1995; Haber, 1990; Pansters, 1996) and in the south such as the case of Juchitán (Rubin, 1997). Many of these social mobilisations not only demanded material needs, but also attacked those in power for their excluded participation. Also, these mobilisations were critical of the monopolisation of power by the state, reflected through its corporatist and co-optative mechanisms, especially with the sectors representing workers, peasants and urban popular groups (Evans, 1999; Foweraker & Craig, 1990). In other words, these subordinate groups that

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[15] This point is also discussed by Robinson, 2003; Roberts, 2005.

[16] Real wages declined by about two thirds between 1980 and 1994. Other data calculated that almost 60% of the Mexican population lived below the poverty line, while 30% of Mexican households lived below the poverty line. Income distribution did not vary much between 1950 and 1992 in the lowest and highest decile groups of society. Those who benefited the most were the middle deciles, who encountered a negative shock in the mid 1990s economic crisis (Various sources cited in Levy & Bruhn, 2001: 157 &176).

represented a majority formed part of the democratic social movement that originated during the transition period.

The concurrence of social dissatisfaction and the strength gained by opposition parties offered structural opportunities for many of these social organisations to become part of the political arena. Some joined the *Neo-Cardenista* political movement, whereas others joined the PAN. This implied for the parties an extension of their agenda by demanding material needs as social and political rights which promoted democratic participation. This participation argued for 'fair dealing with authorities', challenging the 'clientelistic' relations which had prevailed during the authoritarian stage (Foweraker, 1995).[17]

Some scholars (Loaeza, 1991) have categorised the integration of social movement organisations into political parties as a continuation of a co-opted system, since social organisations have depended on the interests of political leaders. This has characterised social organisations as bodies with low or moderate power of mobilisation, as they have been bounded by the structures of electoral institutions. Additionally, it has been argued (Zermeño, 1990: 170) that social movement organisations want to 'decorporatise' themselves by 'corporatising' under different rules. Furthermore, this re-corporatisation supposes a 'bureaupolitics' in which social leaders are absorbed by the higher bureaucratic circles of politics. This illustrates Robinson's argument regarding the important role of political parties as a means to integrate civil society into the neoliberal discourse.

Joe Foweraker (1993) states that social movements depend to some degree on political leadership to define and encourage their formation, specifically social movements in Mexico that seek institutional recognition in order to gain material

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[17] Clientelistic support consisted of electoral support in exchange of favours benefiting these social groups and their leaders.

improvement.[18] Social organisations are limited but not determined by the formal institutional structures of the political system (i.e. legal framework). This means that social organisations are able to shape institutional relationships, bringing to bear a major influence, when they help to build the profile of opposition parties during democratic transition (Foweraker, 1995). For the latter to happen, social movements have defended their 'organisational autonomy' in order to negotiate with their counterparts. In other words, social (popular) movements in Mexico institutionalise themselves when they achieve:

> ...incremental negotiation and renegotiation of the links between popular movements and the dominant institutions of national political life, and it is precisely in seeking and shaping their linkage with the political system that popular movements have contributed to changes in its institutional configuration (Foweraker, 1993: 153)

This statement offers an optimistic view as long as it recognises the ability of social movements to influence the institutional political configuration (despite the costs implied in becoming part of a political party).[19] The perspective illustrates the shift that Latin American social movements encountered in the 1980s. They sought for a political representation in order to move away from a 'nationalist-populist' regime. This latter regime referred to the populace as the essence, to the nation as the community threatened by external dominance, and to the state as the unit of change, but also of expression and national defence (Touraine, 1987: 142). However, this regime was undermined insofar as globalisation started to blur the importance of territoriality and to diminish the

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[18]The alliance with political parties distinguishes social movements as a blend of class interests. This blend has characterised mobilisations in Latin America as popular rather than social. Class categories were not maintained as strong nationalism was emphasised instead. This nationalism was a method of defence against external (foreign) intervention during authoritarian or dictatorship periods in the region, which at the same time followed values of independence from colonial rule (Foweraker, 1995; Touraine, 1987).

[19] 'Cost' refers mainly to the trade-off that social mobilisations encounter in moving away from the principles of popular democracy in exchange for integrating themselves into the hegemonic regime, for example.

protectionist character of the state; giving entrance instead to the ideals of electoral democracy. [20]

It has been recognised that these mobilisations have influenced the local level as they were able to attain the interests that the community claimed in terms of services, regulation reforms, electoral transparency, and promotion of citizenship in local political agendas. However, this influence impacted upon the implementation stage of policymaking rather than the design or formulation stage, which followed elite interests in favour of neoliberalism and (a limited) pluralism (Dresser, 1996; Foweraker, 1995; 2001). Social movements called the regime's structures into question, and in the Mexican case, they were able to democratise political relations. The success of social movements depended on the ability to negotiate the complexities of the institutional terrains (legal and organisational relations), in linking the movement with the governmental domain (Foweraker, 1993).

From the optimistic point of view, the uncertainty of the democratic transition rendered the accommodation of social-movement organisations within existing institutions as the most feasible alternative. But the incorporation of these organisations into political parties identified inconsistencies insofar as the movement's objectives moved away from popular democratic principles. Some authors (Offe, 1990; Diani, 2001) rather than considering this as a reason for avoiding their institutionalisation, argue that an opportunity is presented through an 'institutional learning process'. This process with time will overcome deficiencies encountered between social organisations and political parties. Furthermore, the success of social movements can be enhanced when at the end of the wave of collective action, there is a greater integration of leaders and

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[20] Examples on how Mexican social movements tended to support representative politics can be observed in various regional mobilisations. *Navismo* in the state of San Luis Potosí or the *Barzón* Movement in the north and the centre of the country during the 1980s and the 1990s offer some details (see Appendix 1.1 for more information).

activists within political and entrepreneurial elite circles (Diani, 2001).[21] This leads to a formation of new social networks that can facilitate the incorporation of the demands of social movement into the political agenda, despite the uncertainty and inconsistency that this incorporation may imply in the beginning.

Moreover, the institutionalisation of social movements has also been identified through their collaboration with state sponsored participatory councils and their alliance with NGOs (Foweraker, 2001; Schonwalder, 1997; Ziccardi, 1998). The former are considered as a source of resources, whereas the latter are considered as a strength to enhance social organisations' capacity- building and as a means for linking strategies and lobbying. Both, the relationships of social organisations with political parties and their alliance and participation with NGO's and state-sponsored programmes are considered as key factors to influence the implementation policies and to extend their influence in policy decisions, at the same time that co-option is diminished.

However, for radical scholars these arguments tend to support the legitimisation of neoliberalism (Robinson, 1996). This is shown by the incorporation of social and political rights into normative, regulative and rhetorical levels of the political system in Mexico, both nationally and locally. Thus, it seems that democratic consolidation requires legally constituted organisations to be able to participate in the political system. It is also argued (Zermeño, 1997) that the transnationalisation of Mexico's economy, since the 1980s, has dismantled collective identities - created during authoritarianism such as unions, social and political organisations, grassroots organisations – that were found to be obstructing the global capital order.

As a result, this type of scholars and practitioners argue that a more genuine contraposition to global capitalism has emerged through anti-capitalist

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[21] The entrepreneurial elite is as important as the political elite due to the strong relationship between both within the Mexican context, especially as two of them comply in favour of capitalism.

movements where social forces operating through nationally-based movements are slowly transposing the transnational space through their mobilisation and their capacity to place demands on the system (Robinson, 1998/99: 127; Kingsnorth, 2004).[22] This contraposition is justifiable insofar as neoliberalism keeps accentuating economic and political inequalities by permitting:

> ...the presence, at the same time, of disorder, disidentity, and anomie on the one hand, and transition to democracy and desire for integration on the other. But in societies hit by population growth, stagnation and globalisation the predominance of the latter is merely wishful thinking, if not the naked ideology of domination (Zermeño, 1997: 190).

From this discussion between the optimistic and radical positions it is quite clear that it is debatable what social mobilisations need to do to achieve more genuine results from the process of democratisation. An important point underlined by the radical position concerns how social movements' attainments can be absorbed by capitalist dominating interests, if the latter tend to dominate electoral institutions. The new social relationships originating from the changes in economic and political structures tend to incorporate in their discourse inclusive and basic civil rights that the mobilisations of the 1980s claimed. However, this discourse may be considered a legal and normative 'disguise' as in practice many forms of exclusion, elitism and neo-capitalist interests continue to dominate the economic and political structures. Using Larry Diamond's words, democracy is not an 'unmitigated blessing' due to its myriad interpretations and threats (1999: 2). This ambiguity can turn out to be perverse if it satisfies a minority's interests. In the same way, governance as process nested in the process of democratisation can be interpreted as perverse insofar as it encourages civil networks and responsibilities oriented in favour of a minority's interests.

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[22] The Zapatista Movement is an example on how social movements have begun to transnationalise in Mexico by reaching national and international support (Kingsnorth, 2004: Levy & Bruhn, 2001). However, the lack of an alternative to neoliberalism has made it difficult to succeed.

Conclusions

First, this chapter discussed how neoliberalism, understood as a set of principles based on the ideology of free markets, was implemented in Mexico as an economic strategy that helped to overcome the country's 1982 debt crisis. Neoliberalism facilitated Mexico's integration into a world economy that has been shaped by the globalisation of capital. Neoliberalism in Mexico implied not only changes in the country's economic reconfiguration, but also changes in the political and societal spheres (including the state's reconfiguration).

Second, the chapter looked at how the reconfiguration of the state fits into a transformationalist theoretical view, which argues that the state and its relationship with civil society has broken with state-centrism. Instead, the analysis includes the *national*-state as a unit of study insofar as processes and institutions apart from the traditional concept of the *nation*-state were also taking place. The phenomenon of globalisation had tended to create a social space with polymorphic levels and scales, involving at the same time, a *state reconfiguration* characterised by its *pro-activeness*.

Third, neoliberalism in Mexico combined with civil society's aspiration to democracy, which responded to the repression of the authoritarian regime. The development of neoliberal and democratic policies enhanced Mexico's electoral institutions but, within its democratisation process, popular aspirations have been marginalised by dominant groups that have been able to mould economic and political strategies in favour of global capitalism. Based upon the democratisation path that Mexico has undertaken two theoretical perspectives were identified: liberal democracy and democracy in a global context.

Drawing of both perspectives, I sought to construct a broader theoretical framework that is able to contextualise Mexico's contemporary politics. Even though each perspective differs strongly in their epistemological position

(separation/unity of economic and political spheres, fixed/changing nation-state territoriality), they complemented each other in my analysis. The conditions for democratisation (axis and satellites) of the first perspective have been useful to understand the internal organisational and managerial change that the state apparatus has encountered under democracy. These changes refer to *open information*, *accountability* and the promotion of *pluralism*.

The second perspective has been useful in contextualising democracy on a global scale. Under this perspective attention has been paid to *changes* in *social relations* and the reconfiguration of statehood *beyond* traditional *territory*. The restructuring policies that Mexico has followed in response to transnationalisation, and for which national-states have worked proactively, have been significant to contextualise Mexico's position in its transition to democracy. The next chapter discusses Mexico's decentralisation strategies, which exemplify the pro-activeness of the state in this context.

Chapter 3 - Mexico's municipal decentralisation

Introduction

Decentralisation policies have been a phenomenon that has accompanied the democratisation process in Mexico, although interpretations of the effects of decentralisation vary (Courchene et al., 2000; Cornelius, et al. 1999; Levy & Bruhn, 2001). The transition from authoritarianism to a more pluralistic regime and its conjunctional implications – like the economic and political crises, structural adjustment reforms, the increasing socioeconomic and political inequalities– have raised the importance of decentralisation as a 'positive trend' to achieve administrative simplification as well as more political equality. As a result, states and municipalities have acquired a more relevant role in the policymaking process in order to start implementing the consolidation tasks.

The development of decentralisation policies in Mexico has partly been promoted by two factors: the declarations of transnational planning organisations in favour of political and fiscal decentralisation (OECD, 1998; Giugale & Webb, 2000) and the planning and implementation of these policies by federal government (Cabrero, 1996; Ziccardi, 1998). The international and national promotion of decentralisation, in parallel to democratisation, has increased the relevance of concepts such as: competitive elections, accountability, shared responsibility, equal development, and participation. In this setting, decentralisation and democratisation are advantageous for achieving effective policymaking (OECD, 1998).

This chapter argues that the intertwining of the concepts of democratisation and decentralisation has been a strategy to promote Mexico's global competitiveness at the urban level. The first section of this chapter discusses how decentralisation policies have been interpreted in Mexico. The second section describes briefly the evolution of decentralisation since 1982 (a key year for democratic transition) and how it has increased municipal responsibilities in Mexican urban policymaking. The final section focuses on theories of

urbanisation and how they illuminate the democratising and decentralising strategies of Mexican cities.

3.1. Decentralisation policies in Mexico

"...[D]ecentralisation means both reversing the concentration of administration at a single centre and conferring powers of local government" (Smith, 1985: 1). In the study of politics decentralisation refers to the territorial distribution of power. It involves different kinds of hierarchy that combine different institutions and functions with the effect of delegating powers to lower-level governments (1985: 2).

Territorial distribution can refer to the subdivision of a unitary state or to federalism which divides political power in a constitutional way. The case of Mexico is based on federalism - where its constituents (states) have their own internal local government (municipalities) - which employs a system of administrative and political coordination and collaboration. The combination of institutions and functions within the process of decentralisation has promoted *administrative decentralisation* as a particular policy for decentralising functions. This case happens when authority is passed to a body that is appointed rather than elected, and that is managerial, administrative or expert, rather than political (Pollitt, et al., 1998: 6).

Decentralisation has also occurred through *political decentralisation*. This type of decentralisation can be achieved in two ways: by central government decentralising authority over some particular tasks to elected local government; and by increasing the authority of appointed bodies, elected from a sectoral field rather than from a universal constituency. In the latter case candidates may be ordinary citizens rather than professional politicians (Pollitt, et al., 1998: 6).

Administrative decentralisation and political decentralisation (including its two variations) have been enhanced in Mexico through the promotion of neoliberal

policies, competitive elections and accountability. The high level of indebtedness of the Mexican government in the early 1980s prompted international organisations to ask for fiscal discipline to control government expenditure. Consequently, the incapacity of national government to maintain the level of expenditure that states and municipalities demanded, in addition to its inability to meet social claims (i.e. housing, health, education), highlighted decentralisation as an alternative solution.

The rise of competitive elections during the 1980s created a greater political pluralism that tended to enhance pressures toward political decentralisation. In this more plural environment local political forces questioned the great power that federal government acquired from the end of the 1940s to 1980 through the states' agreement to confer their taxation authority on the federal government. These agreements favoured the centralising strategies that the one-party rule system used to achieve political stability across the country. A greater interest in lobbing against centralist taxation began from the end of the 1980s when many localities started to be governed by opposition parties and in 1997 when the PRI stopped having an absolute majority in Congress. The positive effects of this lobbing can be observed in the discussions generated within the national fiscal conventions during the 1990s that aimed for fiscal decentralisation and devolution (they included reforms in revenue-sharing and federal allocations to states and municipalities) (INDETEC, 2003).

The extension of accountability during the 1990s was reflected in the administrative decentralisation to expert appointed bodies and in the political decentralisation to other governmental bodies (between different tiers of government). An example of the former was the decentralisation of research and statistical institutions such as the Institute of National Statistics, Geography and Information (INEGI). The latter case can be exemplified through the creation of the Committees of State and Municipal Planning and Development (COPLADEs and COPLADEMs) where the financial operation of federal allocations to states and municipalities has been carried out. These committees

aim to diminish 'encroachment' and rent-seeking;[23] however, limitations can be identified when some of these transfers do not have clear assignment and distribution rules (i.e. health and education allocations).

Also, accountability has been promoted by the tendency to 'devolve' authority to new legally established organisations.[24] This tendency is observed at the municipal level through the creation of Institutes of Municipal Planning in which their decision-making and technical committees involve the participation of experts on urban planning issues. These experts can have a bureaucratic background or be citizens who work as a counterweight to local government. However, the lack of organisational capacity of many of these new municipal organisations can halt informational and accountable strategies (see Chapters 7 & 8).

Finally, accountability has helped to clarify the process of fiscal coordination between federal government and subnational governments through the continuous reforms of the Fiscal Coordination Law. An example of the latter was the enforcement of a clearer total amount of revenue-sharing from federal to state and municipal levels (achieved in 1997 by opposition parties that lobbied in the Chamber of Deputies). However, some problems prevail as the amount that each state and municipality would receive is unknown due to the annual variation of the federal revenue-budget and because the criteria on which state governments distribute federal resources to municipalities has been discretional (Cabrero & Martínez, 2000).

Within political decentralisation, the subcategory of *fiscal decentralisation* is particularly important. Fiscal decentralisation is understood as the set of revenues that increase subnational revenues "either through the levels of

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[23] Encroachment occurs when one state agency trespasses upon the lawful authority of another, violating its autonomy or freedom (O'Donnell, 1998: 121).

[24] 'Devolving' refers to devolution either as a transfer of authority between existing organisations or the creation of a new organisation to receive the decentralised powers (Pollitt, et al., 1998: 8).

automatic transfers from the central government, the creation of new subnational taxes, or the delegation of taxing authority" (Faletti in Llerenas, 2005: ch.2, p.6). Mexican fiscal decentralisation focuses on issues regarding intergovernmental revenues, expenditures, credit and debt, all of which are linked by the national system of fiscal coordination. Fiscal decentralisation has been:

> ...the result of the need to address the increasing levels of public debt held by some states and the need to improve efficiency and rationalize service delivery in key sectors, such as social welfare, education, health, and transportation (Courchene et al, 2000: 128)

The impetus for fiscal decentralisation boosted during the Zedillo presidential administration (1994-2000), which followed World Bank recommendations (Giugale & Webb, 2000). This type of decentralisation was linked to the conditions to consolidate a neoliberal democracy as it promoted the roll back of state expenditure. This led the shift to a less interventionist role of national government, at least in the implementation of policies of health, education and urban infrastructure.

The Mexican Constitution mentions the division of responsibilities between levels of government; however, it does not specify how these responsibilities are assigned to education, health, social assistance and urbanisation matters.[25] During the authoritarian regime, intergovernmental relations undermined municipal responsibilities due to the municipalities' dependency on central government and because of hierarchical patterns which allowed the president to bypass local autonomy.

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[25] Even though the Constitution and federal policies do not mention urbanisation as a specific matter many of the responsibilities shared between levels of government refer to urbanisation i.e. waste management, land use permits, infrastructure.

As fiscal decentralisation started to be developed, there was increased awareness about the greater responsibilities of municipal governments. These new responsibilities involved three elements for its attainment: a specific regulation and normative design, a clear intergovernmental fiscal system, and a transparent implementation (Cabrero & Martínez, 2000: 139). To a certain extent, regulation and normative design have been achieved through the 1997 reform of the Fiscal Coordination Law (however, this is limited to federal allocations only). Furthermore, the implementation of several public services has been carried out through federal transfers regulated by this law. Thus the main problem has lain in the fact that these finances are not generated or completely administered by the localities (ibid).

Some scholars (Arellano & Rivera, 1999; Cabrero & Mejía, 1998: 80; Ward & Rodríguez, 1999) recognise that there is not a linear relationship between fiscal decentralisation and major levels of economic and social development, but national and local politicians seem to be convinced that this issue is the key to success (Guerrero & Guillén, 2000). Their argument is that, even though there is not a clear relationship between fiscal decentralisation and development, modernising the local fiscal structure leads local governors to acquire more power of negotiation in the formulation of fiscal decentralising reforms (Cornelius, 1996; Ward & Rodríguez, 1999: 693). The modernisation of fiscal structures gives a political advantage to local politicians in moving forward the decentralisation process. This allows the policy design stage to include levels of government that go beyond central government (i.e. in the negotiations for local credits with development banks - INDETEC, 2003).

However, regional economic and political disparities – developed since colonial times- threaten or weaken these decentralisation policies. Regional disparities can be identified in terms of gross domestic product (GDP) per capita and in levels of illiteracy between states. Specifically, the northern states and some central states (like the Federal District and Jalisco) present the highest levels of

GDP per capita and the lowest percentages of illiteracy.[26] These disparities have been generated through differences in capital accumulation that have favoured northern states due to their strategic (near) location to the United States and central localities that supported Mexico City's development. The disparities are also attributed to the levels of savings that state-level treasuries have been able to manage, as well as to their access to administrative and productive technologies. But two main factors can accentuate further these disparities. First, through the NAFTA signed in 1994, a propensity of income level divergence between states has been expected, as it has tended to benefit the localities in the north (Courchene et al., 2000). Second, the inequalities between states are also of concern especially in those municipalities that seat state governments which tend to receive more resources than, for example, rural municipalities with low population levels. This point underlines the fact that equalisation policies are not just a responsibility of federal government but also of state governments, which are responsible for distributing federal revenue shares between their municipalities (Cabrero & Martínez, 2000).

The wide variety that municipalities present in terms of income, literacy, ethnicity, climate, and territorial extension is further aggravated by per capita income and political inequalities.[27] The existence of disparities have prompted scholars to argue that not only is fiscal decentralisation useful in consolidating democracy but also the participation and transparent decision making process of other levels of government and agents of society (Arellano & Rivera, 1999; Cabrero & Mejía, 1998: 80; Ward & Rodríguez, 1999); especially when

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[26] In 1993 northern states including the Federal District received between 4,480 to 10,200 dollars, and in 1995, these states presented a rate of illiteracy of 2.9% to 5.7%; whereas the poorest states (located in the south-east) received between 1,700 to 2,700 dollars and presented in 1995 a rate of illiteracy of 16.3% to 26.1% (INEGI cited in Courchene et al.)

[27] The top ten states with highest income inequalities are south-eastern states (Hernández, 2000). Per capita political inequalities refer to the privileged Mexicans who are more likely to enjoy media freedom, organise more effectively in autonomous interest groups and become part of the decision making leadership (Levy & Bruhn, 2001: 141).

socioeconomic and political variables are considered (Levy & Bruhn, 2001: 141).

However, participation and transparency have been undermined by national and subnational contexts. Firstly, it has been argued that the closeness of local government to the people can bring a better response to social demands as well as a better anticipation of the changes required (Sharp cited in Smith, 1985: 28). This advantage has underscored the locality as a better provider of services and a promoter of liberty, equality and welfare, as well as being a training ground for citizen participation (just as recommended by OECD, 1998). But, it has been argued that local governments, especially in urban areas, tend to follow policies favouring capital accumulation, under-developing active and inclusive participation (Evans, 2002). In Mexico this is observed through federal programmes (such as Habitat) that target the urban poor by promoting infrastructure and education, health and urban services. This targeting helps to accomplish the basic standards that make cities liveable and competitive enough to attract investment.

Secondly, Mexico's initial attempts to decentralise its administrative system was not for the sake of democracy, but in order for the PRI to maintain order and control in a period when economic and political instability started to emerge (early 1980s) (Mizrahi, 2004). In this period decentralisation was considered as a purely administrative strategy to increase the levels of efficiency and efficacy in the provision of public services. Afterwards, insofar as opposition parties started to control various local governments, ideas of federalism began to dominate the agenda. Similarly, in the 1990s when the World Bank and the IMF started to include on their agendas issues on 'good governance', anticorruption and equity, ideas of a more inclusive and active civil participation started to accompany policies of decentralisation (Williamson, 2004).

Thirdly, the possibility of hostile factions (opponents to the dominant group in power) capturing the local state apparatus, can threaten national political

stability as parochialism and separatist ideals may emerge (Dunleavy cited in Smith, 1985:40). In Mexico, some authors (Cornelius, et al., 1999) contend that the subnational arena will be the first source of inertia as well as of resistance to democratisation. The lack of a strong centralised power leading to a coherent national project may leave government in the hands of a local elite with no interest in governing democratically, following instead a more dictatorial regime (Snyder, 1999; Turner, 2002). These subnational divisions have increased insofar as national authoritarianism has decreased. These subdivisions can raise political instabilities that promote undemocratic but stable regimes.

In summary, it depends upon the context of the locality (state or municipality) whether decentralisation is best understood as a response to urban development, managerial effectiveness or the increased pluralism that democracy promotes. This interpretation of decentralisation has been shaped, in each case, by the actions taken by local administrations in office, by the guidelines of national and international recommendations, or by a mix of both. These aspects will be further discussed and exemplified in Section 3.3.2 (and developed further in Chapter 9).

3.2. The re-emergence of the municipality

During the authoritarian period municipal responsibilities and policymaking were commonly bypassed by federal and state governments. Through the less interventionist role of federal government in the delivery of public services, the municipality has regained a more active role in the policymaking process. Before describing how this re-emergence has taken place, the municipality's administrative structure is explained.

3.2.1. The municipal government structure. In Mexico each state (32 in total) is subdivided into municipalities - in 2005 a total of 2435 municipalities existed across the country. Each municipality is formed by two bodies: the executive represented by the municipal president (mayor) and the municipal congress

(*cabildo*), which works as a legislative body. However, the congress does not have the power of elaborating laws; it can only regulate the municipality's responsibilities. Both are representative elected bodies with a three year term of administration. Presidents cannot be re-elected for the period immediately following, while members of the congress can and do aim for the presidency. The municipal president is elected by a relative majority rule, however, some congress members are elected by a slate system (this depends on each state electoral law).

The laws or decrees that the municipality follows are bounded by national and state constitutions; they are only reformed or modified by federal or state congresses. The dependency of the municipality on other governmental legislation aims for a consistent national development. In particular, the national Constitution and the organic Federal and State Laws are the main axis that maintain this consistency. Although these laws vary according to the state's characteristics a similar pattern can be observed between them. Examples of federal laws that help maintain a coordinated system between tiers of government are:

- Law of Public Administration
- Law of Public Works
- Law of General Planning
- Law of General Human Settlements
- Law of National Planning
- Fiscal Coordination Law
- The Budgetary (Revenue and Expenditure) Laws (*modified yearly)*

Due to the relevance of fiscal decentralisation in Mexico it is worth describing how the municipal-fiscal structure works. Municipal finances can be divided into two parts. The first part refers to revenue and expenditure and the second refers to those additional resources that come from federal government, termed 'federal allocations' (*aportaciones*).

On the one hand, municipal revenue is formed of taxes (land use permits and estate-property tax), income generated from public services, permits, ownership of natural resources (forests, water sources), donations, debt, and federal revenue-sharing (*participaciones*). This revenue sharing is not transferred directly from federal agencies to the municipal bodies, but state governments work as intermediaries for distributing them. Even though municipalities have the opportunity to generate their own income, this is very limited as most of the income comes from buoyant taxes (consumption and production taxes) administered and distributed by federal and state governments. As a result, great financial dependency has been created on federal revenue-shares (Cabrero, 1998: 134). For municipalities to increase their fiscal autonomy, modernisation of management systems and the update of prices and tariffs (i.e. estate register and estate-property tariffs) have been implemented. However, this increase has been generated by those urban municipalities which have the necessary operative infrastructure and skills (Cabrero, 1996: 40). These municipalities have also been the main beneficiaries of federal revenue-shares as the distribution formula has had a bias in relation to the number of inhabitants (Cabrero, 1998: 135). However, this bias has tended to be compensated through federal allocations, favouring poor (rural) municipalities.

On the other hand, municipal expenditure is divided into current expenses (administrative issues), investment (public works and development), and transfers (subsidies, donations). Within the expenditure structure some level of decentralisation has been observed as municipal governments tend to increase their spending (Cabrero & Martínez, 2000: 143). This increase in municipal expenditure could be considered a positive indication of autonomy. However, the distribution of expenditure at the municipal level has tended to favour administrative matters rather than investment in infrastructure (Cabrero & Martínez, 2000: 145). This increase in administrative costs can imply in some cases either a bureaucratisation of municipal governments or the need for municipalities to modernise their procedures and train their human resources.

Whatever the case, other sources of finance are required to achieve more investment levels. These sources can be credits or maybe partnerships with other sectors of society; nevertheless a preference for federal transfers has prevailed (ibid).

Subnational (state and municipal) spending has tended to be more decentralised since the early 1990s; however, this expenditure has depended greatly on federal government through revenue-sharing and federal allocations. Allocations, which are classified here as the second part of municipal finances, play an important role in fiscal decentralisation as they have tended to increase subnational levels of expenditure and most of all of investment (Courchene, et al., 2000; Cabrero & Martínez, 2000). Allocations are investment expenditure programmes derived from federal budgetary lines commonly known as 'branches'. From the various branches, number 33 allocates resources directly to municipalities through two funds: FAISM and FAFM.[28]

These funds have enhanced municipal responsibilities and policymaking, but they are earmarked for specific projects. FAISM relates to water purification, drainage, municipal urbanisation, rural electrification, basic infrastructure for education and health, housing improvements, sewerage systems, rural roads and infrastructure that enhance rural production. FAFM must be used exclusively for meeting financial and public security needs. In both funds, tight reins are placed on institutional overheads or on indirect costs such as consultancy fees. (Ward & Rodríguez, 1999: ch.5).

Even though these funds have tended to strengthen political decentralisation they show deficiencies in terms of accountability. The criteria for allocating the FAISM, for example, are weighed within a formula elaborated by the Federal Social Development Secretariat that is not clearly explained. But accountability in this matter has been improved by prescribing equal monthly instalments to

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[28] FAISM stands for the Social Infrastructure Municipal Fund and FAFM stands for Municipal Enhancement Fund.

each municipality by the end of a calendar year (Ward & Rodríguez, 1999: ch.5). Accountability is also undermined through the unclear criteria that states use to distribute federal revenue-shares between their municipalities. By law, at least, 22% of these shares has to be distributed to municipal governments. These types of deficiencies obstruct an equal municipal decentralisation; however, it has to be said that internationally Mexico's achievements have been recognised through the speed and depth of its policies (Courchene et al., 2000).

3.2.2. The evolution of municipal decentralisation. In the 1947 national tax convention, state governments agreed to depend on federal revenue-sharing. This allowed federal government to administer industry, trade, luxury goods, and income taxes. In exchange subnational governments helped federal government to collect them without getting involved in the political and administrative costs that this responsibility implied. This agreement strengthened the power of the authoritarian regime. It is important to underline that this evolution developed in tandem with electoral reforms. The following paragraphs explore the link between them. Appendix 2 summarises electoral reforms and decentralisation policies in chronological order.

The Lopez-Portillo presidential period (1976-82). Decentralisation policies began in this period through the first National System of Fiscal Coordination, created in 1980. This was a first attempt at fiscal decentralisation by tying federal revenue-sharing to distribution formulas based on the states' population, the amount of revenue collected in the past, and indicators of tax collection performance. However, these criteria, through time, benefited urbanised localities with more capacity for tax collection and with more population. In addition, this system created the COPLADEs as a coordinating structure between federal and subnational governments. Even though the organisation of these committees has changed over the past decades, they are still the structure that prevails for intergovernmental coordination.

Paradoxically, despite the fact that decentralisation strategies were underway, in 1980 the last agreement for centralising the tax system was signed (this time regarding consumer tax). This action shows how the decentralisation policies that the one-party rule regime started did not aim for a true federalism, but were just a mechanism of control within a context that had started to anticipate economic and political crises (Mizrahi, 2004).

The de la Madrid presidential period (1982-88). In this period an administrative decentralisation was enhanced as a result of the 1982 public debt crises. This decentralisation did not aim to strengthen municipal autonomy but sought efficiency in administrative tasks and service delivery (stated in the 1983 constitutional reform of article 115).[29] In particular, the legal permission that municipalities attained to collect and fix property tariffs and land-use taxes complemented the industrial deconcentration that started in the 1960s from Mexico City to other medium-sized cities, such as Querétaro or León.

While the decentralisation policies were initiated by central government, their implementation by subnational governments has been slow. Initially, local governments lacked the infrastructure and skills to become responsible for what the Constitution indicated. For some, it has taken twenty years to attain the required levels of capacity (for many others these levels are not yet attained). It was not until the early 1990s that urbanised municipalities started to become more innovative and participative with regard to fiscal and administrative modernisation.[30]

Local governments have developed a paternalistic nature within their governance structure. This has mainly been illustrated by the management of resources and planning design through state government, instead of being

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[29] For example provision of drinking water, drainage, sewerage, and street lighting; cemeteries, the maintenance of slaughterhouses and public markets; solid waste management; land use permits; public security.

[30] Various cases in Cabrero 2001; 2002 - especially metropolitan municipalities.

directly administered or formulated by municipal governments. This dependence has not allowed accountability between subnational intergovernmental relations (Guerrero & Guillén, 2000). As a result, municipalities have become the weakest tier in the governmental system since the degree of centralism from federal to state governments has been replicated from state to municipal governments (Ward & Rodríguez, 1999).

By the end of this administration, subnational governments started to be controlled by opposition parties (i.e. northern states like Baja California and Chihuahua, and between the 1990s and the 2000s, central states such as Guanajuato, Querétaro and San Luis Potosí) that argued for more competitive electoral institutions (Valencia, 1995; Pansters, 1997, Ramírez-Saiz & Regalado, 2000). These claims also aimed to strengthen the municipal level by promoting more transparency, an aggressive local fiscal policy, and a streamlined administration (Ward & Rodríguez, 1999: 684). Fiscal decentralisation achieved an important place on the agenda as in many cases it was detected that the level of government immediately above put limits on the lower tier regarding the distribution of revenue-shares. This commonly happened when subnational levels were administered by different political parties (ibid)

The Salinas presidential period (1988-94). The proliferation of the opposition in various state and municipal governments started to threaten the centralist and presidential power that the PRI possessed. During the Salinas administration the initiatives that promoted decentralisation diverged from the objectives established by the 1983 reform. The new policies undermined state and municipal administrative structures (i.e. COPLADEs) and established instead direct relationships between central government (or president) and the local communities (Cabrero, 1998). A solidarity programme (called PRONASOL) promoted an alternative system of political decentralisation in targeted poor

localities.[31] The weak support that the PRI had with many marginalised groups across the country prompted President Salinas to develop PRONASOL as a partisan tool to attract votes in favour of the PRI (Haber, 1990; Dresser, 1996; O'Toole, 2003).

The funds that this programme transferred to the localities, to compensate for regional differences, were not allocated to the modernised municipalities (the urban type), but were not allocated either to the poorest for partisan reasons (Cabrero, 1998). So, the principles of attaining a more equal development across local governments in terms of infrastructure, skills, capacity-building and major levels of decentralisation were unsatisfied. In short, inequalities among regions were accentuated and a centralised system prevailed (ibid).

An innovation of PRONASOL was the introduction of community participation in the implementation of projects regarding the improvement of infrastructure and basic public services. It is debatable whether this type of participation followed the co-opted mechanism of the old authoritarian regime; however, PRONASOL adapted some of the demands which emanated from various grassroots movements (Bernard, 1999; Haber, 1990; Hellman, 1994). PRONASOL left a legacy of a certain degree of participation that the following administrations could not ignore, especially when the environment of economic and political dissatisfaction persisted.

The Zedillo presidential period (1994-2000). In this administration decentralisation policies gained a more genuine position through the concept of 'new federalism'. This implied "decentralisation of powers [executive, legislative, and judicial] and responsibilities to the states, and a willingness to 'let go' on the

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[31] With PRONASOL, a certain level of political decentralisation was promoted as responsibilities were transferred to *Solidaridad* Committees integrated by the communities and federal government. The decentralisation regarded to rural and urban infrastructure such as roads, school and health buildings or equipment, drainage, electrification, housing improvements, among others.

part of the President" (Ward & Rodríguez, 1999: 675). Decentralisation policies accompanying federalism strengthened states rather than municipalities. This can be observed as state governments benefited directly from increased levels of revenue-sharing and local income (i.e. taxing automobiles, hotel occupancy and payrolls); and from the system of intermediaries administering federal resources (enforced by the 1997 Fiscal Coordination Law). These decentralisation strategies began to shift Mexican intergovernmental relationships towards a model where authority is autonomous between state and national governments, but very coordinated and inclusive between state and municipal levels (Ward & Rodríguez, 1999).

Such a model has been reflected in the role of the state tier in distributing federal transfers to the municipalities. This distribution became more of a stability strategy in cases where the political plurality increased between state and municipal governments.[32] The political tensions generated by this plurality enhanced the need for fiscal accountability between the three levels of government, recommending at the same time an increased municipal participatory role (OECD, 1998).

As these new policies started to be implemented in various localities across the country, state governors started to attain more political strength. However, counterweights from other state-level republican powers emerged, especially from the legislature. This was a result of the electoral reforms that have accompanied decentralisation policies since 1986. In particular, the guarantee of a proportional segment of representation in the federal and state congresses enhanced political diversity within the legislature. The 'letting go' of presidentialism during this period, in addition, to more plural state-level legislatures were factors that counterbalanced the new governors' power. This led to negotiations between state congresses and the state-level executives, instead of complying only with the president. As a result, checks and balances

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[32] Especially states governed by the PRI and municipalities governed by the opposition, as in the case of San Luis Potosí (Cabrero & Gil, 1999).

and accountability began to come into play at subnational and national governments (Ward & Rodríguez, 1999). These counterweights between powers and intergovernmental levels were more commonly found in modernised states and municipalities rather than in marginalized and less developed localities.[33] This accentuated further the inequalities between municipalities (Guerrero & Guillén, 2000).

The Fox presidential period (2000-06). As Mexico has internalised the global aims of an integrated, open, and flexible economy, there has been increasing acceptance of an environment in which actors develop their own assets and resources. This is translated in the need for localities to create territories that can be productive and that enhance competitiveness (OECD, 1998). This environment has been pursued through the ideas of 'new federalism' which encourage an incremental share of intergovernmental responsibilities and decision-making. However, international criticisms have been made of the over-regulation that leads federal government to take final decisions, as in issues regarding budgetary information and management.

The OECD and World Bank support the idea that further fiscal decentralisation is needed for municipalities to obtain adequate amounts of funds and enough flexibility to use them. These funds are significant to make local authorities more accountable, responsive to local needs, and able to create leverage to promote local development (creating markets and jobs) (OECD, 1998: 26; Cabrero & Martínez, 2000).

Decentralisation policies are considered by the OECD to be the best path to turn municipalities into competitive and autonomous territories. Nevertheless, if local markets are to be created, all the issues of effective management and clear and coordinated responsibilities, in and outside the municipal government,

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[33] Different studies on municipalities in the north and centre of the country show that the localities with effective counterweights are within the modernised and urbanised regions (Ward & Rodríguez, 1999; Ziccardi, 1998).

have to be well established to attract private investment. Furthermore, the issue of accountability becomes vital to create a trustworthy environment in which the private sector (local and non-local) can invest. Due to the inabilities and restrictions that municipalities have had in generating direct revenues, the collaboration with other sectors of society has become appealing, without limiting this alternative to privatisation policies only.

Since the 1990s, the OECD and the United Nations' recommendations have favoured multi-actor responsibility to attain economic development (UNMP, 2005). But to be coherent in attaining real local needs, these recommendations have supported the participation of other citizens, as well as the private sector through partnerships. [34] Central government intervention has been accepted in a proactive way. First, insofar as it works to diminish regional differences by promoting individual welfare and tools to enhance municipal government capacity-building;[35] second, by establishing macro-level frameworks of administrative and fiscal coordination; and third, by providing accessible and open information through intergovernmental networks to help localities to be more competitive (OECD, 1998).

In order to continue with the 'new federalism' strategy, the Fox administration has followed closely the recommendations stated by international stakeholders. This is observed in official documents such as the National Development Plan (PND, 2000-06) and in the Programme for an Authentic Federalism (PAF, 2002-06). This federalism mainly supports intergovernmental governance and it is supplemented by citizen participation through channels established by the national-state (PAF, 2002-06: 37-9).

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[34] This participation is underlined through state-sponsor channels such as the COPLADEs (OECD, 1998:116).

[35] This point is considered as a double-edge-sword as the provision of certain infrastructure like electricity or communication and transport systems is highly controlled by central government, and national and international elites that can easily undermine local interests.

Also, a new emphasis has been given to the National System of Fiscal Co-ordination through which an international competitive and collaborative system has been proposed. It aims to improve intergovernmental relationships apart from fiscal coordination. The agenda has focused on the promotion of investment, savings, and employment at the local level to obtain financial autonomy (PAF, 2002-06: 140). The role of central government as coordinator and provider of information within intergovernmental networks has been pursued as well. This role is reflected in the reforms of national organisations in charge of coordinating intergovernmental information systems, such as the Federalism and Municipal Development Institute (INAFED) and the Institute of Technical Development for Public Treasuries (INDETEC).

The role of the private sector has been considered an alternative way of achieving local autonomy and development (Cabrero & Martínez, 2000: 174).[36] Its participation is openly invited in areas that provide resources and skills such as in the infrastructure for schools, health centres, public services, communication and transport; urban planning and development – the latter two including housing, regeneration; and tourism (see Appendix 3 for some examples). It is emphasised that consultation with the community is required in order to plan adequately. This consultation has included civil society in the formulation of some local programmes or projects. However, the reasons for its inclusion are not as clearly identified as those for the private sector (resources and skills).

In summary, insofar as decentralisation policies have evolved, their implications have become more complex as new actors and concepts have been included in the process. Moreover, the ideas of sharing responsibilities, participation,

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[36] The role of the private sector within policies of decentralisation was first considered in the Salinas administration through the '100 Cities' Programme. It specified the need to consult the civil society for its development, especially the private sector (SEDESOL, 1992; OECD, 1998). In the early 2000s, this has been extended into the national Habitat Programme, which aims to overcome urban poverty by establishing adequate infrastructure, services and land regulation.

transparency and accountability converge with the themes involved in the process of democratisation, which has generated a more pluralist environment in the electoral arena but remains limited with respect to political and participative spheres where other social groups interact (see Chapters 7 & 8). Decentralisation policies have had an effect on localities of all types, but the concern of this thesis is with decentralisation in urban areas.

3.3. The process of urbanisation in Mexico

The process of urbanisation is closely related to Mexico's political and administrative decentralisations. To understand the link between urbanisation and decentralisation, it is important first to present the relationship between urbanisation and capital accumulation.

3.3.1. The concept of urban space. The importance of the urban space is based on David Harvey's (1989*a*: 22) argument that "capital accumulation and the production of urbanisation go hand in hand". This mutual dependency embraces conflicting forces and channels them into many possibilities for both creative and destructive social transformations.

The urban space is understood here as a process that goes beyond territoriality. This includes changes in the economic forms of production as well as in the social relations that result from these changes. Space is not just a matter of lines in a map delimiting a city, it also relates to the 'cartography of power' (Massey, 1994, 2005). The development of the urban space, in combination with the passage of time, is what Harvey calls 'urbanisation' (1989*a*:54).

From the classical Marxist perspective, the conflicting forces within capitalism involve the struggle between the powers of capital and labour. Conflict between these powers (i.e. determination of wage or employment equilibrium) has limited the accumulation process, but the possibility to move or extend across space has created an escape valve to overcome these pressures. The aim of capital

accumulation has led to the exploitation of particular geographical locations when they present advantages. The evolution of capital production and the changes in social relations have had important implications for shaping and forming the urban space (Harvey, 1989*a*: ch.1). The globalisation of capital has made of the urban space a less specified territory. Instead it has become a dynamic and 'open space' insofar as social relations are becoming increasingly interconnected on a global scale, which may move beyond urban geographical boundaries (Brenner, 2004; Massey, 2005).

Neil Brenner argues that globalisation has exposed the limitations of the traditional nation-state for the study of urban and regional economies:

> [urban and regional economies] are the 'motors of global economy'...insofar as they harbour the socioeconomic assets, innovative capacities, technological infrastructure, specialized skills, institutional networks, and sociocultural milieux upon which the leading sectors of transnational capital depend. This resurgence of urban and regional economies cannot be adequately appreciated on the basis of state-centric models that encage economic activity into self-enclosed, national scaled territorial units (2004: 6).

This conception of urban space has been commonly associated with the emergence of 'global cities' such as London, New York, Tokyo or Sao Paolo (Sassen, 1999). These cities are the centres of the servicing and financing of international trade, investment and headquarters operations. These cities are crucial for the valorisation of leading sectors of transnational capital. However, this thesis argues that the effects of globalisation also affect medium-size cities that aim to integrate themselves into the global urban system.

The fact that capital accumulation has been able to shape the urban space is generally observed throughout the strong correlations between urbanisation and gross domestic product levels (Guarda, 1989). However, this correlation is not always straightforward. In Mexico, even though the gross domestic product did not grow at increasing rates (especially in the period of 1980-90), the levels of urbanisation did (see Table 3.1). This shows that urbanisation has also been

considered a political strategy for the country to integrate with the increasingly global economy.

Table 3.1. Mexico's gross domestic product growth rate and urbanisation levels (1960-95)

GDP rate		Urbanisation levels			
Decade	National GDP growth rate (%)	Year	Urban population /total population (%)	Number of cities	Metropolises' population share (%)
1960-70	7.3	1960	41.2	119	37.6
1970-80	6.8	1970	49.4	166	52.0
1980-90	-0.4	1980	56.2	229	58.1
1990-95	1.5	1990	60.8	309	61.3
		1995	64.3	348	67.8
		2000	75*		
Based on Garza, 1999; Guarda, 1989:14 * INEGI, 2000					

Further studies show that during the decade of 1980-90 the urbanisation rate was the lowest if compared to other decades throughout the same century (Garza, 1999: 153).[37] In this period the share of large cities of over 1 million inhabitants decreased in terms of the total urban population from 51.3% to 45%; while the share of small cities (15 to 50 thousand inhabitants) increased from 10.4% to 10.8%. Furthermore, the number of medium-sized cities, between 500 thousand to 1 million inhabitants, increased from 4 to 12 (ibid).

During 1990-95, small cities decreased in share to 10.2% despite their increase in number. Medium-sized cities increased to up to 18 in number, reaching up to 24 if considering those of over 1 million inhabitants. In total, the first two largest types of cities accounted for almost 68% of the urban population. In sum, these data reflect the fact that economic crises - in 1982 and 1994 - did have a negative effect upon the urbanisation levels of the largest cities but favoured the proliferation of the medium type.

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[37] For example the rate of urbanisation in 1950-60 was of 2.9%; higher than the rate in 1980-90 which was of 0.8%.

These changes in urbanisation would tend to lead to the conclusion that rather than a process of urban decentralisation from the big metropolises, the period 1970-1990 saw a change in the scope of urban concentration (from big to medium cities). The increasing urban network in the country underlines the relevance of political decisions that strengthened the process of urbanisation (Aguilar, 1999; Garza, 1999). In other words, urban policies (shaped by agents' interests) also promoted urbanisation beyond economic needs.

The process of urbanisation involves the emergence of polycentric urban regions which Gustavo Garza describes as "sets of relatively neighbouring cities [that] form urban subsystems owning the great functional integration of their industrial establishments and populations" (1999, 154). In Mexico three types of regions tending to polycentric areas have been identified. In the northeast, Monterrey seems to work as the core of a conglomeration. In the centre-east, Mexico City is the core and has already overlapped with Toluca's boundaries. Other cities considered in this area are: Cuernavaca, Puebla, Cuautla, Pachuca and Querétaro. The third polycentric area tends to be around Guadalajara in the centre-west of the country. The city of León tends to become part of this conglomeration. The analysis (Garza, 1999) of these regions refers to the period up until 1995, at which point the effects of NAFTA had not yet determined the relevance of other cities or regions. The effects of this free trade zone on the Mexican urban system is generating new city conglomerations along the NAFTA corridor (uniting Mexican central cities with American central and southern Canadian ones - see Map 3.1). Along this corridor cities within the Bajío Region, such as Querétaro and San Luis Potosí, can be located (ibid).


Map 3.1
Bajío Region
NAFTA corridor
United States
Nuevo Laredo
Monterrey
San Luis Potosí
Aguascalientes
Guadalajara
León
Querétaro
Mexico City
Belize
Guatemala

Capital flows accentuated through free trade and globalised markets since the end of the 1970s have led to increased world competition between cities and regions (Harvey, 1989*a*: ch.1; Jessop, 2002: ch.5; Sklair, 2005). They no longer had to compete on the basis of their industrial mix but in terms of the attractions they could offer to corporate investment (labour and commodity markets, geographical location, social assets). Global capitalism has led cities to compete on additional issues such as architecture, cul tural innovation, information gathering, and control of government decision making.

Interurban competition has emphasised the tension between the social and spatial division of production, consumption and control. Interurban competition has been an important determinant for the evolution of capitalism, and fundamental to its uneven geographical development (Harvey, 1989*a*: 55). On this basis, it is easier to understand the prevalence of Mexico's regional disparities, not only regarding the shape and form of the urban space but also in terms of the levels of local income and literacy. Interurban competition tends to produce cities with socio-economic differentiations so that the surpluses of capital and labour can have enough flexibility to achieve increasing rates of accumulation (Robinson, 2003: 28).

3.3.2. The 'entrepreneurial city' and urban politics in Mexico. Urban politics and state behaviour are two faces of the same coin. It means that the changes encountered by the state are somehow reflected in the structural changes that influence a city's development. In order to develop the argument, this thesis draws upon the concept of the 'entrepreneurial city', as de veloped by Bob Jessop (1997*a*; 2002).

An entrepreneurial city is characterised by its "concern to create new combinations of economic and/or extra-economic factors which will further urban competitiveness" (Jessop, 1997*a*: 31). This concept is useful as it provides a link between the structural changes encountered at the level of the

state and by the urban scale, especially when both are shaped by the production of global capital.

The approach for understanding the relationship between the state and urban space is also illuminated by Brenner (2004) through his concept of 'state spatiality', derived partly from Jessop's argument of state reforms. State spatiality is a process that is:

> ...actively produced and transformed through socio-political struggles at various geographical scales [supranational, national, subnational]. The geography of statehood must therefore be viewed as a presupposition, arena, and outcome of evolving social relations (2004: 80, fig 3.2)

Brenner contends that, within the process of state spatiality, two dimensions can be found: 'state spatial projects' and 'state spatial strategies'. The first dimension refers to political strategies oriented toward the reproduction, modification, or transformation of patterns of state territorial and scalar organisation. This dimension can be interpreted as the spatial organisation of the state itself, which depends on the state's internal scalar division among different tiers of administration or government. State spatial projects, for example, can be coordinated by fiscal policies or regulatory activities (2004: 92). The second dimension refers to state capacities to establish a 'structured coherence' for example as to promote capitalist growth within national, regional and local economies. State spatial strategies are articulated through policy instruments, infrastructure investment, spatial planning programmes, or urban polices (2004: 93). Brenner argues that state spatial projects and strategies are shaped by the traditional structures of the nation-state; but it is also important to note that globalisation has led to the rescaling of state structures and the increasing importance of supranational and subnational scales. The reliance upon a traditional state apparatus describes part of the inheritor role that characterises the state pro-activeness mentioned in Section 2.1.

The concepts of entrepreneurial city and state spatiality have been developed as analytical models to understand urban development in the Western

developed countries (the US and Europe). However, state reconfiguration and urban development in Mexico have been influenced by Western ideologies (especially by the United States, Levy & Bruhn, 2001). Mexico's membership of various international forums has made it subject to policy recommendations originated by developed Western countries. This relationship opens a window to focus on the similarities between urban development patterns.

The development of a capitalist economy in Mexico, especially from the mid 20th century, partly explains the country's high level of urbanisation. Thus, the country's transition to democracy has underscored the interest in becoming part of the changes that the global production of capital has tended to follow. Thus, the state reconfiguration that has been experienced by Western developed countries, responding partly to a global economy, has also been experienced in Mexico, similarities are particularly evident when the shift away from the 'welfare state' in Europe and the implementation of neoliberalism in Latin America are compared (Fourcade-Gourinchas & Babb, 2002; Jessop, 2002).

State reconfiguration resulted in part from the deregulation of international finance and the liberalisation of markets since the late 1970s and early 1980s. The liberalisation of trade and production was accompanied by the liberalisation of interest rates and a series of experiments (encountered by developed and developing countries) that tested the boundaries for the deregulation of markets, privatisation, and fiscal and monetary strategies (Williamson, 2004).

Both the shift away from the 'welfare state' in Western countries and the implementation of neoliberalism in Latin America involved a reduced role for government in the provision of public services and social security. New strategies to provide for social demands have been oriented towards the combination of market and state structures, which have enhanced the activism of the private sector into public matters. Public expenditure disciplines have prompted national governments to build appropriate institutions (i.e. decentralisation policies and organisations coordinating these policies).

Consequently, local and regional governments have tended to seek for a stronger autonomy supported by resources from non-state sectors, at national and international scales, but within an institutional framework (laws and policies) promoted by national government.

The diminished interventionism of the state has allowed the involvement of many agents within policymaking, leading towards new structures of coordination and collaboration. These agents range from international organisations associated with national and local groups (able to adapt themselves to these new structures) to social mobilisations that have supported democratic principles and, for cases like Mexico, the old paternalistic and interventionist role of the state (further discussed in Chapters 7-9). The intertwining of actors at the local, national, and international scales has enhanced cooperation between networks of city governments in the same country or even in different ones. In Mexico, the 1999 reform of the 115 constitutional article established the coordination between municipalities in order to promote further support and resources. This coordination has involved the participation of non-governmental organisations advising governments how to build networks between municipalities and non-public or non-for-profit organisations (Santín, 2004).

State restructuring has been characterised by Jessop (1997*a*) as involving three trends: the 'denationalisation of statehood', the 'internationalisation of the national-state', and the 'destatisation of the political regime'. The denationalisation of statehood is understood as the core executive losing or conceding capacities to societal actors or to peripheral governmental bodies. This concession has been identified through strategies of privatisation, decentralisation or agencification (i.e. partnerships). Some authors have identified these institutional changes as an 'internal hollowing out of the state' (Saward, 1997). However, this thesis argues that the three trends are better seen as a reconfiguration of the state.

The second trend, the internationalisation of the national state, refers to the increasing involvement of international agents with national politics (either as part of transnational corporations established in specific localities or as a member of a political or economic international organisation). This trend is understood as the core executive conceding capacities to supra-state entities or the adaptation of the core to policies dictated at an international level. This trend can be associated with the 'external hollowing out of the state' (Saward, 1997).

The third trend concerns the destatisation of the political regime. This involves "redrawing public-private divide, reallocating tasks, and rearticulating the relationship between organizations...across this divide on whatever territorial scale(s) the state in question acts" (Jessop, 2002: 199). This trend underlines a growing recognition of interdependence between the public, private and social sectors, as well as the convenience (and perhaps need) for their mutual learning, reflexivity, and negotiated coordination. These characteristics have blurred the limits between sectors, consequently shifting the state organisation from government to 'governance' (Rhodes, 1996).

The link between the evolution of urban politics and state reconfiguration can be observed within decentralisation policies that aim to enhance a locality's economic, political and administrative autonomy (this is exemplified in Section 3.3.3). With these types of policies local governments are prompted to negotiate political and economic matters with different agents and organisations, creating a phenomenon of 'urban entrepreneurship'. The group of networks developed from different directions (supra or intergovernmental as well as sectoral) has inevitably shifted the boundaries between sectors, especially when there is a clear contribution to make in material, technical or political terms.

Jessop (2002: 188) argues that city (or regional) governments seek to transform themselves into entrepreneurial political apparatuses in order to cope with the risks (political, social and economic) that national-state trends have exposed them to. This entrepreneurial character is about creating innovative strategies.

These strategies aim to build local competitive advantages by restructuring the urban space in the context of global conditions. In an 'entrepreneurial city' the strategic relationship of local government and the business sector is significant to promote its development (with the support of national government which at the same time can be supported by international forums). However, these factors are not sufficient to make a city entrepreneurial, what is also needed are "institutional and organisational features that can *sustain* a flow of innovations", required to compete (Jessop, 2002: 189, my emphasis).[38]

A specific restructuring policy can be the introduction of new spaces and places for living, working, producing, servicing, consuming, etc. (Harvey, 1989*a*, ch. 1; Jessop, 2002, ch. 5). This new spaces and places will open new markets in new areas with advantages for producing goods/services and urban activities. City regeneration has been the most common example reflecting urban innovation in terms of giving a new image to the city ('re-image') and in creating forms of socio-political organisation that promote and maintain this new image. The conservation of historic centres is an approach that has become attractive for countries such as Mexico. The redefinition of the urban space promotes a city's position (within a world city scale) according to its cultural heritage and in some cases to its geographical location that promotes a city as a commercial gateway.

The tendency to turn local governments into the best providers of local services as well as the bearers of local advantages has been supported by national governments and international organisations.[39] This support has been observed in the three trends of the state which underline a new role for the national-state by sharing responsibilities with other levels of government and sectors. The

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[38] The term 'entrepreneurial city' in this study is interchangeable with that of 'urban entrepreneurialism' or 'urban entrepreneurship'.

[39] Examples of this are the Interamerican Development Bank financing regeneration projects in different historical centres in Latin America (Bromley & Jones, 1999) and the World Bank financing municipal service delivery (Guarda, 1989)

national-state tries to "retain control over the articulation of different spatial scales" (Jessop, 2002: 201). The *tendency* of the national-state is to work more as a facilitator of functional linkages or networks and material interdependencies (i.e. Mexico's federal government in promoting decentralised urban policies). Through this new role it tries to compensate for planning and market failure, tending to leave the responsibility for policy decisions to transnational institutions and the responsibility for implementation to subnational governments.[40] This role forms part of the pro-activeness of the state.

The diminished role of central government intervention is observed in Mexico through the promotion of fiscal decentralisation and its relationship with urban development. However, the historic dependency of subnational governments on federal transfers has underlined the strong role of national government in determining local policies. The importance of federal financing has undermined the incentives to pool resources from other non-public sources. Bearing in mind the federal government's strong role in addition to the state's restructuring under globalisation, this research argues that national guidelines have promoted new institutional structures and social relationships that are similar to international patterns and follow some of the elements of the entrepreneurial city.[41]

3.3.3. The 'entrepreneurial city' and its limitations as a phenomenon. Although there are limitations that can be found in Jessop's approach to the

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[40] This argument coincides with that of William Robinson's (2003) - in which the national state's role has shifted from the formulation of national policies to the administration of policies formulated by a transnational state system.

[41] See Davis1994 to understand how Mexico's policy process can be studied from a policy networks approach due to the power relationships between politicians and businessmen in Mexico City. See Conde, 1996 and Martínez, 2001 for some examples of the privatisation on public services in the metropolitan area of Mexico City. These references provide a background about the more publicly known and increased relationships between business and local government (supported by the federal government) as one characteristic to achieve a local entrepreneurial environment.

concept of the entrepreneurial city, it is relevant for this thesis because it relates to the restructuring of the state, which is important considering Mexico's process of democratisation and implementation of neoliberal reforms. Specifically, Jessop's approach provides a theoretical tool to make a comparative analysis across different cities that have been affected by the changes in modes of production, high rates of unemployment, fiscal austerity and market rationality, either in the American or European contexts (Harvey, 1989*b*; Brenner, 2004) as well as in the Latin American one.

For different authors the entrepreneurial city means a process in which mainly cities compete with each other to attract investment in a world of economic instability and volatility. However, approaches to the concept differ when cities are analysed within different historical, social and political contexts. Some authors (Cheshire & Gordon, 1996) argue that factors such as group interests, type of leadership and constraints imposed by external regulators (i.e. national and supranational guidelines) will determine the mobilisation of resources and forms of organisation in distinctive ways. Patrick Le Galès (2002: 208) points to the tradition and influence of European civil associations and social movements arguing that there is a high probability for these groups to resist the logic of urban entrepreneurialism promoted by a local elite.

Furthermore, Harvey (1989*b*: 8) argues that, although urban entrepreneurialism seeks to produce benefits for populations within a particular jurisdiction, in the end the outcomes rest generally on the creation of public-private partnerships that focus on investment and economic development in the speculative construction of a place (i.e. regeneration of docklands, construction of a shopping mall), rather than ameliorating the negative conditions (i.e. unemployment, unequal income distribution) existing in a particular territory. He states that any consideration of urban entrepreneurialism should be aware of the "increasing disparities in wealth and income" and any "increase in urban impoverishment" (1989*b*:12). Income disparities and impoverishment result from: local development being led by property, business and market oriented

projects; the promotion of local subsidies to capital instead of being directed to the underprivileged; and the promotion of labour policies (i.e. subcontracting) that contribute to the expansion of the informal sector. All of these negative effects are disguised by the attraction to build new places that contribute to the imagery of cities suited for competitive purposes, which may also help to create a sense of social solidarity and civic pride (1989*b*: 14).

Harvey (2000) explores his argument in the context of the American city of Baltimore. He notes how in the 1990s the city government, in partnership with the business sector, achieved the displacement of low-income families from the inner city and from inner city suburbs. Valuable land was given away to developers; stadiums, conventions centres and railways networks were created as a source of jobs and generation of income, but in exchange libraries were closed, public services curtailed, investment in city schools was minimal and unemployment rates more than doubled (2000: 141). One of the reasons behind these unwanted results of socio-spatial segmentation and marginalisation is, according to Harvey, the social processes that were mobilised to construct a desired city (2000: 173). These social processes can be identified in the institutional arrangements and rules followed by the state apparatus (including the local tier - 2000: 178). State projects have helped to pursue consumerism, which has produced wealth and empowerment for the few and repression and degradation for the rest.

Taking account the various approaches to the entrepreneurial city, Jessop (1997*a*) has classified a city's competitiveness into strong and weak modes. Strong competitiveness comprises "economic, social and political innovations that intend to enhance productivity and other conditions of structural competitiveness" (1997a: 31). These other conditions (or extra economic factors) can be interpreted as being more socially concerned with income distribution problems and tackling social exclusion. Weak competitiveness generally includes modifications in "formal regulatory, facilitative or supportive measures aimed at capturing mobile investment...as well as simple image-

building measures with the same purpose (boosterism)" (ibid). In contrast with strong competitiveness, the weak mode can be interpreted as instrumental, with no direct concern for social well being.

This classification encompasses many alternatives

> [b]esides property-led or more general market-led initiatives dominated by business interests,.. [such as] more neo-corporatist, neo-statist, or even community-based in governance structure – albeit still more or less closely dependent for success on market forces (Jessop, 1997*a*, 31).

The dependence on markets underlines the main weakness of urban entrepreneurialism as a phenomenon: individual cities are being brought closer into line with the discipline and logic of capitalist development (Harvey, 1989*b*: 10). If this discipline is considered, then it can be argued that no matter how strong the objectives of competitiveness are, the outcomes may result into weak competitiveness. For example, political projects may promote jobs that cannot dispense with the informal sector, the promotion of tourism and cultural projects may contribute to an ephemeral identity of a place, and the creation of public-private partnerships may be considered as a pure and reliable form of democratic participation. These examples have proven to attract and maintain mobile capital investment, but have generated deeper differences in social income distribution, as in the case of Baltimore.

In considering Jessop's approach to the 'entrepreneurial city', as well as other authors' arguments about the limitations of the phenomenon (e.g. the disparities in income and welfare distribution, social exclusion), this thesis argues that differences in participation within the operation of specific forms of organisation can also be observed when promoting urban entrepreneurialism in the Mexican context. This argument does not focus on the economic factors of the phenomenon (e.g. income distribution) but in the social and political organisational forms that help maintain urban entrepreneurialism in a middle-sized city (see Chapters 7-9).

3.3.4. Urban decentralisation in Mexico. The transition of the national-state into a facilitator between multiple scales can be observed in the evolution of Mexican urban politics. Between the 1940s and 1950s some attempts to deconcentrate Mexico City's industrial agglomeration were carried out through laws on manufacturing and credits. However, the strategies were not very effective as they only affected areas surrounding the capital city. In 1976 the first important law regarding land-use planning was passed, the Law of Human Settlements. This law was important to set urban policy rules and regulations, but their implementation encountered serious delays. In 1978 the first National Development Plan was announced. The Plan's proposals were to be followed by state and municipal governments. However, the lack of sufficient resources and the simplistic proposals to reverse Mexico City levels of industrial concentration made for a very inadequate policy (Garza, 1999).

In the 1980s, the neoliberal political restructuring shifted national policies to focus on fiscal and monetary matters in order to control debt and inflation rates. Consequently, the national government paid little attention to urban policies, preparing instead a set of plans and programmes that only paid lip service to the discourse of an integral and national urban development. The National Plan of Urban Development (PNDU) of 1988-1994 stands as a good example. According to the Law of Planning of 1983, the national plan of development was to be published six months from the start of a new presidential administration. Carlos Salinas instead published, on his first day in office, the PRONASOL programme, while the urban development plan was published a year after (in 1989). A significant budget was designated for PRONASOL's development, as it was President Salinas' political weapon to cope with the changes generated by neoliberal policies and the levels of social dissatisfaction. Even though the main aim of this programme was the development of services to provide basic needs through community participation in targeted poor areas, it had a relevant impact in terms of national urban infrastructure (i.e. building of roads, increased coverage of public services).

The PNDU's delayed publication showed at the outset its low priority, consequently it was not surprising that its budget was much lower than the one allocated to PRONASOL (Garza, 1999). Furthermore, the PNDU was considered by experts as a document with serious technical and methodological limitations as it gave an inadequate diagnosis and poor forecast of Mexico's urban system (1999: 164). Finally, the PNDU did not only lose its significance due to its own inadequacies, but also due to the creation in 1992 of the 100 Cities Programme (P-100 Cities).

P-100 Cities emerged as the political tool of the first front-runner for the PRI presidential candidacy. The programme was based on a decentralisation strategy that targeted 116 middle and large cities across the country. It promoted local governments to regulate urban development through the technical assistance of the Federal Social Development Secretariat. The P-100 Cities tried to develop the new responsibilities that municipalities has attained since the 1983 reform of Article 115 and which, by that time, were lagging behind in terms of implementation. Some of the strategies were: the modernising of the local governments' real estate register to increase the taxation base; the improvement of conditions of communication between the targeted cities; and the allocation of territorial reserves that would absorb future population growth. The P-100 Cities continued in the following administration periods, increasing its coverage to 300 cities and updating various urban development schemes, historic centres and infrastructure projects (Garza, 1999).

The increased importance of local governments in the promotion of development through PRONASOL and P-100 Cities programmes marked a new phase for national government responsibilities. With the promotion of these programmes the federal government has test-driven 'passing the buck' to other levels of government by requiring localities to solve their own problems. This characteristic underscores the point about national government trying to become a coordinator rather than an executor of policies.

In Mexico, federal government has 'abdicated' the direct planning and implementation of urban politics since neoliberalism started to lead the way for economic and social policies (Garza, 1999). What in the mid 1970s seemed to culminate in a *national* urban planning - through the publication of several laws - ended up in the early 1990s as mere rhetoric. Since the mid 1990s, national development plans have tended to emphasise the creation of federal mechanisms to *coordinate* and *inform* subnational bodies on how to achieve major autonomy and responsibilities (i.e. on issues regarding fiscal tasks, management and administrative training workshops).

Consequently, local subnational governments have started to build their own projects to attain more autonomy. Two main projects have been developed. First, the creation of state government development plans which need to be followed by municipal governments through their own local development plans (some other state laws and regulations may complement the former, such as budgetary state laws); and second, the creation of urban institutes or municipal secretariats which are becoming increasingly responsible for formulating and implementing urban policies.[42] It is unclear to what extent these institutes are involved in obtaining their own resources (due to the municipal dependency on federal transfers). However, it has been observed that they have decentralised many responsibilities by creating councils and committees in which local stakeholders, apart from the public sector, have been involved in the policymaking. Federal government, in exchange, has supported these forms of decentralised decision-making by allocating, in some cases, resources to specific municipal projects regarding, for example, environment and tourism developments. However, in the urban planning process the degree of involvement of local non-governmental stakeholders has been coordinated and negotiated by municipal and state governments (as in the case studies discussed in Chapters 7-9).

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[42] Such as the creation of the Institutes of Development Planning (IMPLANs) during the administration of *panista* municipalities.

Mexico's urban policies and decentralisation programmes of the 1990s, exemplify state spatial projects, in Brenner's sense, that coordinate national, state and municipal institutions. They also express state spatial strategies that have tended to accentuate the differences between rural and urban localities. However, these differences appear to be characteristic of a transnational epoch where capital seeks different comparative advantages between geographical territories. To maintain these differences state institutions explicitly or implicitly promote these geographical variations across space (Brenner, 2004:93).

Conclusions

The chapter has discussed the development of urban decentralisation policies in Mexico since the 1980s. The chapter showed how administrative and political decentralisations were enhanced by neoliberal policies that complemented ideas on competitive elections and accountability. In particular, fiscal decentralisation was relevant due to its association with the rationalisation of the provision of public services, the participation of non-public stakeholders in local policymaking, and the diminished interventionism of federal government in the implementation of urban planning. The effects of decentralisation policies upon the relationship between governmental and non-governmental organisations became more noticeable from the early 1990s, when the pro-activeness of federal government was expressed in the roles of facilitator and coordinator among subnational institutions and the recommendations stated by international organisations.

Secondly, the chapter discussed how the changes associated with state reconfiguration could be studied through urban politics in the context of globalisation of capital accumulation and the process of urbanisation. These two phenomena are linked in the concept of the *entrepreneurial city,* which underlines how city governments have transformed their political apparatus to cope with risk. The transformation of the political apparatus included institutional

and organisational forms that sustained a flow of innovations required by the city to compete within global conditions. It was argued that state restructuring on the urban scale could be analysed through three trends: *denationalisation* of statehood, the *internationalisation* of the nation-state, and the *destatisation* of the political regime.

Finally, the chapter explored the link between state reconfiguration and urban politics through the analysis of political and fiscal decentralisation. These two types of decentralisation reflected a less interventionist national government in the implementation of urban planning. Consequently, local governments created new organisations where local stakeholders other than the public sector were started to be involved in the urban policymaking process. The remainder of the thesis explores further the three trends characterising the entrepreneurial city. However, a meso level framework of analysis is first presented in order to bridge the gap between state reconfiguration and the effects of such reconfiguration at the local level.

Chapter 4 - Urban governance: linking levels of analysis

Introduction

The previous two chapters discussed the processes of democratisation, decentralisation and urbanisation in Mexico over the last twenty years. This chapter develops a meso level conceptual framework that can enable links to be drawn between macro level and micro level processes at the urban level.

In Chapter 3 the term 'entrepreneurial city' was used to define the strategies of local governments, through the 're-imaging' of a place and the creation of innovative strategies (political and economic). The concept also implied macro state structural changes, categorised into three trends: denationalisation of statehood, internationalisation of the national state, and destatisation of the political regime. This chapter argues that these trends have an impact at the urban level, especially when they are identified with 'governance' as a process for policymaking. Governance, in this sense, involves collaboration between the public and the private sectors, in a multiscalar or multilayered order between international, national and local organisations.

The first section of this chapter discusses how the dialectics between structure and agency can be grasped at the urban level. The second section discusses the rationale that the thesis has followed in using governance as an analytical (general) tool for linking macro and the micro level processes. The third section discusses what is understood by governance as a (particular) process, focusing on two approaches that can be applied in the study of the locality. The last four sections consider how studies of urban regimes, partnerships, participation and institutionalism can complement governance approaches by emphasising the importance of agency in urban politics.

4.1. The city as a unit of analysis

The last chapter argued that the urban space was shaped by changes in the mode of capital production as well as by the social relations that are associated with these changes. According to David Harvey (1989*a*, 1989*b*), the city is able to influence the nature of the economic and social processes that gave origin to it. This interpretation renders the city a spatio-temporal product where a dialectical relationship between economic and social processes exists. On the one hand, the city as a complement of capital accumulation (especially after the 1970s) is influenced by speculative investment and mobility of capital. But, on the other hand, forces such as social relations (i.e. organisational structures, social mobilisations) are considered a particularism within a political process that helps to define the values of the city. In other words:

> Capitalism has to urbanize in order to reproduce itself...But urbanization means a certain mode of human organization in space and time that can somehow embrace...[individual and collective] conflicting forces, not necessarily so as to harmonize them, but to channel them into so many possibilities of both creative and destructive social transformation (Harvey, 1989a:54).

The dialectical relationship between economic and social processes can be theoretically illustrated by regulation theory and its approach to urban politics. An example is the book edited by Mikey Lauria (1997), where regulationists propose a number of different ways of linking regulation with urban politics. Regulationist work has been concerned with "the regulation of the process of capital accumulation within a capitalist mode of production" and the role of institutions, social forms, and cultural norms within this mode of production (Goodwin & Painter, 1997: 15-16).

However, the regulation approach encounters two main limitations. One of the limitations is that this theory cannot in itself provide a full explanation of the changing character of the state, culture or social relations, as they are by definition part of the explanatory tools, not the objects of the explanation (Goodwin & Painter 1997:17). The other limitation is that the level of influence of

social processes upon the accumulation process cannot be generalised because the course of capital accumulation depends on temporal and spatial variations.

The emphasis that regulation theory tends to put on stable national settlements over uneven local stability, and on structure over agency, has prompted scholars to focus on complementary approaches, particularly in relation to 'governance' and urban regimes (Goodwin & Painter, 1997; Jessop, 1997*b*). Both of these approaches underscore the importance of the locality in a wider context and the significance of agency for the creation of new social relations and organisational structures.

4.2. Linking macro and micro level analyses

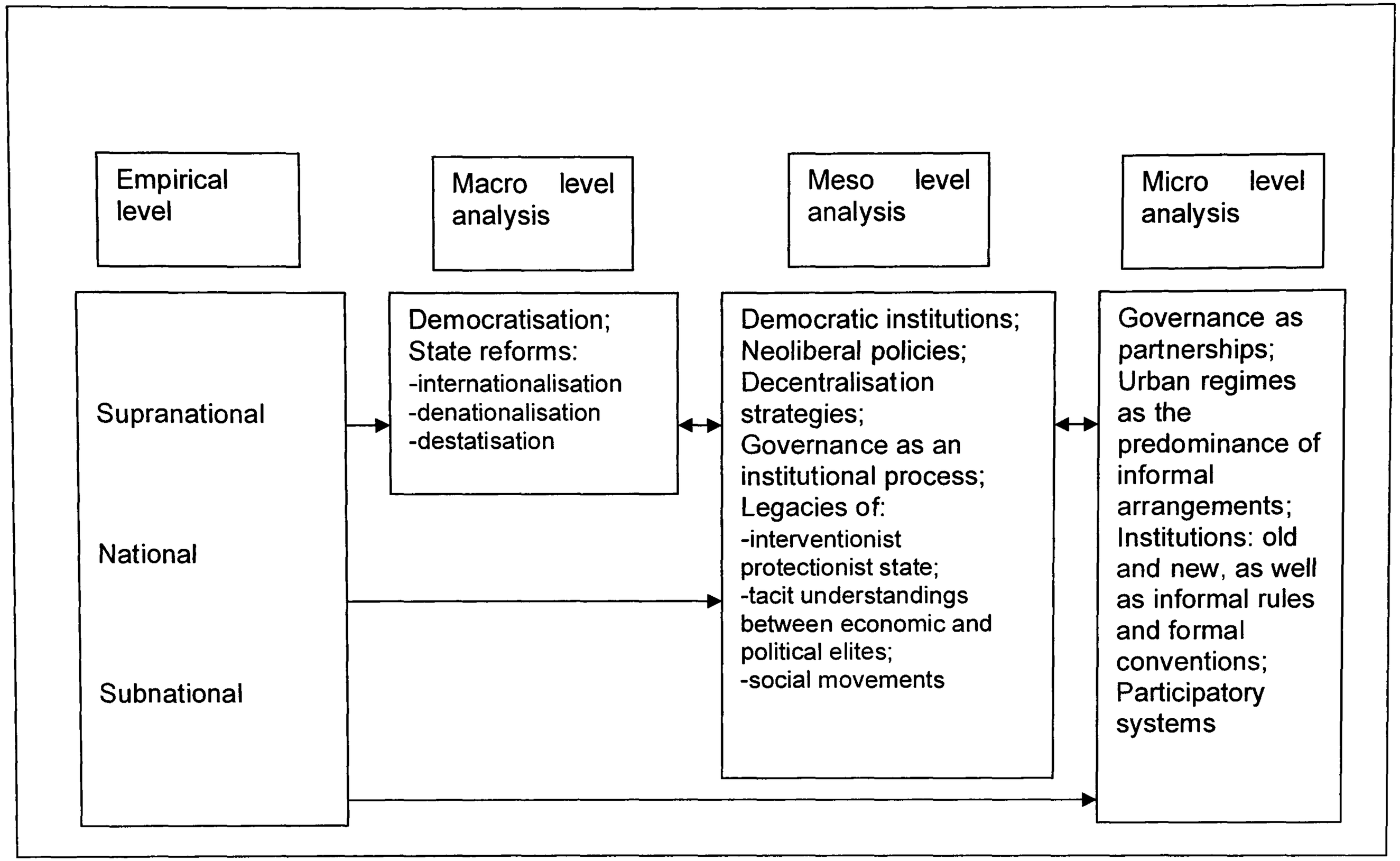
The link between levels of analyses is important because of the potential for agency to shape structure, especially in periods when historical structures or forces are encountering a transition or transformation (Mahoney & Snyder, 1999 – further discussed in Section 5.6). Some examples of structures, considered as macro level processes, are ideology, social class, economic forces, and state reconfiguration. This thesis focuses on the last type of structure.

Governance is used in two senses: general and particular. Governance, used in its general sense, allows for the recognition of agency and structure. Thus governance provides an understanding on how state reconfiguration is being carried out. 'Governance', when used in its particular sense, refers to a specific arrangement of governing (Rhodes, 1996), recognising the role of government as well as non-public organisations in policymaking. 'Governance' can be complemented by other theoretical tools that provide a micro level understanding of agency within an urban context such as urban regimes and partnerships, but which at the same time are highly related to theories of participation and institutionalism. For this type of analysis three empirical tiers are relevant: supranational, national and subnational institutions (including

organisations, regulatory frameworks, and stakeholders). Empirical research could focus on a specific tier only; however, this thesis proposes that each empirical level is not exclusive from the other. Relationships among the three empirical levels can be observed through the coordinating and adjustment strategies followed by different non-governmental and governmental agencies.

Figure 4.1 depicts the theoretical framework upon which this thesis is based. It proposes three levels of empirical research (supranational, national and subnational) and sets out the relationship between the macro, meso and micro levels of theoretical analysis. The processes of democratisation and state reconfiguration are classified within the macro level. The creation of democratic institutions, the implementation of decentralisation strategies and the promotion of 'governance' are classified within the meso level. Meso level processes also include the implementation of neoliberal policies and the legacies of both the authoritarian regime and social movements (as it is argued that these past processes are reflected in current ways of organisation). The theoretical concepts classified within the micro level are: urban regimes underscoring the relevance of informal arrangements; governance as partnerships; participation theories reflected in actual participatory systems; and 'new institutionalism' highlighting formal rules and informal conventions as part of the policymaking process. Core elements of the model are now discussed in more detail.

Figure 4.1. Theoretical map linking levels of analysis and empirical research



4.3. Governance theory

The term governance can be confusing as it has been used in a myriad of ways (analytical or procedural) and in different national contexts (Pierre & Peters, 2000; Kjaer, 2003). First, this section presents what is understood by governance in a *general* sense as well as in its *particular* form of collaborative arrangement. Second, two interpretations of 'governance' are discussed. A third section examines the concepts of 'multi level governance' and 'good governance'.

Governance, in its general sense, can be considered as an analytical tool concerned with creating the conditions for ordered rule and collective action (Pierre & Stoker, 2000: 32-33). Governance enables social and economic coordination between organisations and actors. In this sense, the thesis has used governance due its analytical linkage between macro level and micro level processes. The linkage can be reflected in how social and economic relationships develop within the context of state reconfiguration (see Section 4.2).

There have been various approaches in differentiating modes of governance; however these attempts can be condensed into three ideal types: hierarchy, market and networks (Frances et al., 1991; Lowndes & Skelcher, 1998: 318-19). Each mode presents different characteristics relating to a normative basis, means of communication, methods of conflict resolution, flexibility of decisions, amount of commitment between the parties involved, climate in which relationships develop, and the level of dependence between actors' choices or preferences. These characteristics have an effect upon economic, political and social structures, but due to the interests of this thesis, only a brief description underling the coordination within governmental arrangements is discussed.

The hierarchy mode of governance refers to the state governing society by imposition of the law and other forms of regulation. In this mode a vertical

relationship exists between government and society and between governmental actors themselves. It has been related to the role performed by government during the welfare and protectionist state, where its intervention was supreme in providing public services and shaping the nation's economy, via bureaucratic routines (Lowndes & Skelcher, 1998: 518).

The market mode of governance has attained importance insofar as a hybrid system between the state and the market has been developed. This has been observed since the end of the 1970s when the flexibilisation of capital and labour started to develop and state interventionism started to decrease, especially in determining the behaviour of markets. This mode refers to political and economic actors coordinating themselves to resolve common problems without distorting the competitive nature of the market (Frances et al., 1991). Coordination is generated insofar as actors see advantages to themselves (Lowndes & Skelcher, 1998: 518). This mode of governance has been associated with the rise of New Public Management where the marketisation of state institutions has been implemented with the aim of providing effective and efficient public services (Pollitt, 2003).

The network mode of governance has been considered a 'contemporary' structure comprising a variety of actors and organisations. Within networks; the interdependence between actors is highlighted in order to achieve and maximise political outcomes based on trust and reciprocity. These networks are also characterised for being 'self-regulatory' (Rhodes, 1996). This mode of governance has emerged in response to reduced constraints on decision making by central government and increased organisational and political fragmentation. This mode includes a multiplicity of actors that go beyond the government and market structures, including civil society as well. The study of networks has been helpful for understanding the arrangements within state and non-state actors, for example, the formulation and delivery of public services by government, the private sector and civil society (Newman, 2001).

Modes of governance can be used separately to understand governing processes, but mixed modes can also exist. Consequently, it should not be surprising that different modes of governance prevail within certain organisational structures (i.e. hierarchy and networks modes coexisting in partnerships); what seems to vary are the political and social relationships that can emerge within a common organisational structure according to the mode of governance (Lowndes & Skelcher, 1998).

The variation of political and social relationships implies that the process of coordination matters; this leads to the understanding of 'governance' in its particular sense. The particular sense of 'governance' refers to a specific arrangement of coordination where organisations of the public and non-public sectors collaborate to attain goals otherwise not attainable (Stoker, 1998). Governance, in this sense, can be implemented through the creation of public-private partnerships. These partnerships are an active process where public, private and voluntary stakeholders work in a coordinated fashion to attain a common good either in formal or informal ways (Sullivan and Skelcher, 2002, ch. 1). It is through partnerships that networks, characterised by trust and reciprocity, have been commonly observed.

Governance, expressed through partnerships, creates an opportunity for the direct participation of non-state actors in policy decisions through the participation of individuals representing sectors (private or voluntary). Thus, governance may imply the inclusion of certain individuals that could have been marginalised in previous circumstances where multi sector partnerships did not exist. The potential of inclusion of private and civil representatives into policymaking has created a normative stance for governance. This stance has been identified with the 'good governance' term, used by several international organisations that provide aid for promoting democratic consolidation and eradication of poverty (Kjaer, 2003). However, this aid is subject to normative conditions established by donor countries, which promote democratic principles such as community or civil participation, accountability and transparency. The

inclusion of different stakeholders that governance implies is not inevitable, especially if existing structures and invested interests may infiltrate against the efforts promoting participation and accountability.

Even though the implementation of governance in its participatory forms (multi-sector collaboration and public-private partnerships) has the potential to promote inclusion and participation; the thesis argues that inclusion and participation may not happen if social and political processes depart from genuine democratic principles. The potential misleading nature of the governance concept, in addition to its many interpretations (general and particular) may be considered as a theoretical weakness. However, the analytical power of governance and the tendency towards particular governance arrangements in a context of urban entrepreneurialism, make this concept relevant. Bearing this in mind, the rest of the thesis moves forward by discussing governance in its particular form within the Mexican context. Governance is used for interpreting the empirical level of the argument of the thesis, through the analysis of public-private partnerships and their relationship with other modes of political participation (Sections 4.5 and 4.6). But first, subsections 4.3.1 and 4.3.2 discuss how governance (in its particular form) has been developed from two different perspectives: the coordinating and the national-state-centric approaches (Pierre & Stoker, 2001).

4.3.1. The coordinating approach. This approach refers to 'self-governing, interorganisational networks' (Rhodes, 1996). Networks refer to the relationships between interdependent actors and organisations involved in the policy process. This concept also implies that the boundaries between market, state, and civil society are blurred. Thus, the capacity of government is challenged by the complexity of segregated and decentralised policy processes,[43] and the involvement of a multitude of organisations belonging to

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[43] The limits to government capacity have been the subject of in-depth studies against the background of the governmental landscape experienced by Britain between 1979 and 1997. 'Governance' became an explicit policy frame after 1997 (Stoker, 2004). Furthermore, the

different scales (international, national, local) and sectors (public, private) (Kooiman, 2003).

Within the new process of governance, government is only one of many actors that influence decisions; hence there are limits upon its power to exert its will on other actors (Kirckert cited in Rhodes, 1996, p. 659). This emphasises the autonomy that organisations have within governance, which does not imply freedom, but rather an intraorganisational control (self-organising). Although government does not have a privileged position it can 'indirectly and imperfectly' guide these networks (Rhodes, 1996).

This new role has rendered government liable to create new organisational strategies in order to take decisions - either in a conscious or reactive fashion. These strategies respond to the move away from the welfare-state policies encountered in the US and Europe by the late 1970s. The strategies can be classified in three categories: composing and coordinating the networks; collibrating and steering; and integrating and regulating (Stoker, 1996, p. 14-15). The first category of actions refers to the process of identifying key stakeholders that could provide and exchange resources for the formulation and implementation of a policy or programme. It also refers to the development of effective linkages between relevant parties to ensure the preservation of networks. The second category refers to the steering and influencing of relationships in order to achieve desired outcomes. The third category is concerned with the avoidance of unwanted side effects and the establishments of mechanisms for effective coordination.

Networks have the potential to provide an opportunity for citizens to regain control of government by participating in them. Networks can transcend hierarchical institutions, pooling more diverse resources, capabilities and

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incorporation of the notion of 'governance' within the 'Third Way' configuration has acquired adherents from other parts of the world insofar as the concept has prevailed in the discourse of international organisations (Kjaer, 2004).

perspectives (i.e. from private and community groups). As a result, interdependency and trust between participants can be developed. However, one of the downsides of networks is the threat they pose to democratic accountability (Rhodes, 1996, p. 666). Networks can create a private government that maintains the interests of a privileged group. This can happen when privileged groups become part of a network seeking to ensure that the rules of the game will favour their interests. Networks imply an enhanced pluralism insofar as a great variety of actors are able to participate in the network. But this has not necessarily meant that government has reduced its intervention. In many cases, it rather seems that government has learned to co-exist with a larger number of organisations, from a wider range of sectors. This argument can be interpreted as governance implying more than government in policymaking (Kjaer, 2003). This observation leads to the other perspective of governance.

4.3.2 The national-state-centric approach. According to this perspective government is considered as a:

> ...key actor in governance by virtue of the vast resources...which it still controls and also by the legitimacy it enjoys as the sole actor in society which can properly define the collective interest (Pierre & Stoker, 2000: 33).

This approach gives a stronger emphasis to central (national) government's role as the main actor for controlling, steering and encouraging subsequent changes that respond to a globalised economy.[44] Governance as a coordinating approach has been useful to study the diminished interventionism of central government in policy decisions (i.e. decentralisation). However, it has oversimplified this analysis; for instance some studies in Britain argue that central government still has an important role in policymaking (Davies 2002; John 2001; Marinetto, 2003). The criticisms underlined in these studies have

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[44] Here the term state-centric does not refer to the nation-state's structure but to the national government's reconfiguration that helps to carry out state projects and strategies at different scales (i.e. international, regional or local).

been helpful in considering the role of central government as an additional theoretical element within governance; relating specifically to central government's bypassing of local authorities' political structures to guarantee that national and international recommendations are followed.

Jon Pierre and Guy Peters (2000: 163) link this approach to the way states "manage their transition" in response to globalisation. This transition is reflected in the domestic political and economic accommodation to the global economy which involves in itself social changes (i.e. social relations, organisational changes). This perspective of governance - influenced by the multiplicity of actors stated by the coordinating approach - argues that the changes that the state encounters tend to become a collective interest in an era of economic globalisation and subnational institutional dynamics. The multiplicity of actors has prompted national-states to adapt to changes that they have not directly initiated, as other actors from different levels are involved in shaping the direction of change (Pierre & Peters, 2000). This is further explored through the concept of multi-level governance (Section 4.2.3).

Changes in social relations and organisational structures have helped to redefine the nature and extent of the national-state's power. This power has begun to derive less from constitutional powers and capabilities (such as authoritarian decisions or manipulation). Instead the state's capacity is established to coordinate and set priorities of various public and non-public projects and between supranational and subnational levels (Pierre and Peters, 2000: 198). The reconfigured role (or pro-activeness) of the national-state reflected at the subnational level can, on various occasions, be over-reactive. This over-reaction is observed: (1) insofar as it bypasses subnational structures when they reflect some type of weakness in their coordinating capacity; (2) insofar as constitutional and legal control is used over subnational governments (despite its tendency to decrease); and (3) insofar as it offers immediate compensation to economic and social shocks incurred from state reforms at the local level (i.e. emergence of informal sector, migration problems, extreme

poverty) (Pierre & Peters, 2000). The over-reaction can be interpreted as a way of maintaining coordination between supranational and subnational levels.

An example of the first way national government can over-react has been analysed in the Single Regeneration Budget in Britain which started in 1994. Here central government prompted and sponsored local authorities to create public-private partnerships as an organisational form to reactivate urban development (Davies, 2001; Harding et al., 2000). This intervention allowed central government to bypass local authorities' interests. An example of the second way national government can over-react has been analysed in the central government's control of public finances, at the local level, on issues related to expenditure and investment projects in countries such as the UK and Denmark (Harding, 1997; John, 2001). It is worth noting that these two examples are also reflected in the Mexican case due to the authoritarian centrality of power and decision. Under the Mexican context, the third way that national government can over-react is illustrated by the PRONASOL programme, which aimed to compensate marginalised communities after the implementation of neoliberal reforms.

Pierre and Peters (2000: 101) argue that the trends that the national-state has followed in parallel to global capitalism tend to replace invasive strategies of central government with more subtle techniques of 'steering'. Thus, this approach understands governance as a strategy where the central government's core role is tending to coordinate the design and implementation of policies that have not been directly and solely initiated by it. With this role the central state ensures alignment with dominant interests (at international and local levels) by tending to share its political and administrative force. In other words:

> In the 'reasserting control' scenario, we should expect to see states design and select policy instruments so as to ensure a *maximum compliance* with *minimum coercion* (Pierre &Peters, 2000: 105, my emphasis).

This coordinating role has an effect on public and private activity and on the interaction between globalisation and localisation. These effects are explored through the concept of multi level governance.

4.3.3. Multi level governance. This concept discusses governance as a negotiated exchange between systems of governance (i.e. within a mode) at different institutional levels (Pierre & Stoker, 2000: 30). These levels vary from the international, passing through the national, to the regional and local scales. In particular, the intermediary role of the national state between the international and subnational levels is what maintains the balance between all scales (Pierre & Peters, 2000).[45]

The interaction of multiple institutional levels can influence the direction of a policy strategy. That is why it was argued above that the national-state has adapted to changes that were not directly and solely established by it. For example, on the one hand, national policy strategies can be defined by political or economic forums and the member countries involved in those forums (i.e. World Bank, IMF). Also policy strategies can be defined by the interests of transnational corporations and financial organisations. These are reflected in transnational meetings such as the ones organised by the World Trade Organisation (Brenner, 2004; Robinson 2004; Sklair, 2005).

On the other hand, national policies can be influenced by the subnational level through its institutional arrangements or social relationships. This can be palpable in the case of 'global cities' where the denationalisation of the national territory is presented (through the establishment of transnational leading finance and service firms in the city). But a type of national identity is also underscored through anti-migration or racist local groups that want to maintain a country's traditional social relations (Sassen, 1999). National policies can also be influenced by urban governments that are not necessarily global, but that

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[45] One of the problems of multi-level analysis is that it refers to intergovernmental relationships when its definition can refer to broader applications (Pierre & Stoker, 2000: 31).

compete for a place in the globalised economy. This influence can be derived from their aim to become distinctive through the promotion of their heritage or advantageous location as trade hubs which, at the same time, create new local interests and relationships. The changes that both types of cities encounter put pressure on national policies in order to safeguard their nature.

The national-state role is significant for transmitting reforms through political and administration strategies and policies. This is why some authors see national-state pro-activeness as adapting what transnational institutions establish but also for what subnational institutions demand (Brenner, 2004; Pierre & Peters, 2000; Robinson, 2003). The national-state's intermediary role in coordinating the interaction of the global and the local scales is a governance strategy of institutional change to achieve effective economic performance, which is shaped by the globalisation of capital (Jessop, 1997*a*: 35).

Governance at the international and local levels. The link between international and local understandings of 'governance' can be illustrated through the concept of 'good governance'. Although it varies from the theoretical perspectives discussed above, it is helpful in order to render fully the conception of 'governance' within an empirical context.

For some international organisations such as the World Bank and the OECD 'good governance' was coined in an effort to guarantee an effective use of the aid provided by financial institutions, especially directed towards developing countries. This term was subject to various interpretations; however, its core features referred to the managing of public affairs in a transparent, accountable and participatory manner to reduce corruption and strengthen the rule of law (Kjaer, 2004; Santiso, 2001).

For the World Bank the prevalence of the rule of law involves national-states in developing appropriate regulations and supervision to enhance market environments. Moreover, the 1990s incorporation of democratic principles into

international organisations' aims, regarding equality and participation, enhanced the participation of civil society as a counterweight to corruption or rent-seeking in developing countries (Williamson, 2004). Consequently, the national-state as an intermediary has guided the development of participatory institutions for subnational governments to follow. These guidelines, for example, have created hybrid organisational structures that incorporate government and civil society or public and private sectors, such as partnerships. This statement is exemplified for the Mexican case in Chapter 9.

The creation of hybrid organisations, which are shaped by economic changes of capital accumulation and state reforms at the local level, is what has been named 'local governance'. In particular, its normative version - 'good local governance' – has been the basis to promote local governance within a democratic context. Good local governance has been defined according to three aspects (Stoker, 1994: 5):

- Openness so that people are recognised as having the right and opportunity to act in the public political life;
- Capacity for deliberation about the key issues confronting community, both on the part of civic leaders and 'ordinary' citizens; and
- Capacity to act that enables institutions and actors from public, private and voluntary sectors to blend their resources and efforts to achieve common purposes

However, governance failures are inevitable insofar as government institutions become inconsistent with the objects they are governing (Jessop, 2002: 231). Thus governance failures can be observed when any of the three points listed above is restricted. These restrictions can happen due to a lack of organisational capacity or interest in including different sectors of society or 'ordinary' citizens into political matters. To understand in more detail how these restrictions develop, conceptual approaches other than 'governance' are

required. The remainder of this chapter discusses the contributions of urban regimes, partnerships, participation, and new institutionalism.

4.4. Urban regimes

The 'model' of an urban regime has been developed by American scholars (Elkin, 1987; Stone, 1989). Regimes are defined as:

> informal arrangements by which public bodies and private interests function together in order to be able to make and carry out governing decisions (Stone, 1989: 6).[46]

The agents involved within these informal relationships have access to resources that allow them to play an active role in local policy decisions. The informal arrangements are tacit agreements or understandings between the parties involved over long periods of time. The informal arrangements can generate a positive effect upon the articulation among the agents' relationships. The positive side is based upon trust between the parties involved and who aim to develop the same interests. However, informal arrangements can have a negative effect when the relationships created are exclusive to parties involved, emphasising the lack of accountability to other groups of society about the decisions taken by the stakeholders involved in the urban regime or network.

The parties involved are, in Clarence Stone's term, a 'governing coalition'. The main task of this coalition is to gather the necessary resources (material and non-material) to define the direction of a chosen policy strategy. The governing coalition generates a 'power to', rather than a 'power over', in the mobilisation of resources and efforts to achieve the chosen policy (Stone, 1989). To achieve 'power to' there has to exist a purpose that could be extended throughout an urban community and its unavoidable interdependency. This task has to be

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[46] Public bodies refer to governmental organisations while private interests refer to non-governmental organisations, civil, business or religious groups (Stone, 1989: 4).

carried out by a strong leadership able to attract and coordinate the necessary resources to achieve the established aims.

The governing coalition has to be able to mobilise resources based on its principal political agenda, thus it is common for local authorities and business groups to participate in the coalition, by relying on a leadership with capacity to coordinate efforts. Both stakeholders' participation relies on the authorities' preoccupation in promoting the locality's economic development and on business' (i.e. real estate, developers, private universities or consultants) possession of the financial resources and organisational capacity to collaborate with the local authorities (Stone, 1993). However, attempts to apply the regime model in the European context have concluded that the partners in a coalition are not restricted to business and government; other private and voluntary organisations are also involved (Mossberger & Stoker, 2001).

The urban regime model is also characterised by its normative nature, which suggests an increasing inclusion of various social groups and citizens in urban policy decisions. This level of inclusion is partly due to the 'power to' premise. However, the more partners are included, the more sophisticated is the coordination required due to the complexity of the model (Stone, 1993). Thus it has been common to observe, in empirical studies, that urban regimes tend to maintain and develop strategies that generate immediate results (i.e. economic growth) and that do not involve major changes in socio-economic structures. This has been analysed by Stone (2001) in the city of Atlanta where, after forty years of urban regeneration, those benefiting most were business groups and the black middle class, while urban poverty still prevailed and few signs of inclusion were visible.

The interrelationship between public bodies and private interests in addition to horizontal relationships, underlined by the 'power to', match with the premises of 'governance' discussed in the previous section. The analysis of the close relationship between the public and the business sectors, and the informal

relationships sustained between stakeholders, have offered 'governance' studies additional tools in understanding the process of urban policymaking. However, the model's focus on an American context has generated criticisms when used in different contexts (including Western Europe); where local politics are guided by central government and by the legacies of the 'welfare state' (Davies, 2001; Harding et al., 2000).

The urban regime model underlines how 'governance' can manifest itself as an informal organisational form. But its initial study within the American context generated a misuse of the concept when applied to local analysis under different economic and political contexts. For example, the confusion between partnerships and urban regimes was one cause of concern (Davies, 2001). In Western Europe, the strong intervention of central government in promoting public-private collaboration (Davies, 2001; Harding et al., 2000), and its intervention in defining local investment and expenditure (Harding, 1997; John, 2001: 43), have been two clear reasons to argue that the 'power to' of urban regime is not applicable in countries such as France, Denmark or Britain. It is argued that the role of central government and the intervention of subnational governments in urban policy decisions have restricted business participation. This has led to the subordination of business groups' decisions to politics and thus a 'power over' has dominated the scene. In these cases partnerships have been a policy directed by the centre instead of becoming a local initiative.

Table 4.1 contrasts how governance works following the premises of the urban regime model and how governance works under public-private partnerships promoted by central government.

Table 4.1. Governance as urban regime vs. governance as partnerships

Characteristics	Governance as urban regime	Governance as partnership
Participants	Close relationships between local authorities and business elite; other sectors can be also represented	Distant relationship, interaction between local authorities and the business sector through a legal framework only
Modes of collaboration	Voluntary relationship; formal arrangements exist with certain tendency of becoming formal	Hierarchical (imposed) relationship between local agents and/or extra-local bodies (i.e. central government)
Sustainability (duration)	Long periods of time	(Generally) short periods of time (instrumental view)
Autonomy	Policy and project aims are decided and sponsored by local agents	Policy and project aims are determined and sponsored by extra-local bodies
Areas of influence	Policy strategies and implementation in many policy fields (urban regeneration, education, etc.)	Specific projects that pursue particular interests
Governing objectives	Tend to generate economic growth	Directed by the interests of extra-local bodies (central government, political parties)
Synergy	Collaboration between the private and public sectors to achieve outcomes otherwise not possible; there is value added in the relationship as this 'power to' prevails	Collaboration between sectors does not generate 'power to'; there is no value added as 'power over' prevails
Based on Davies, 2001: 55		

As the table focuses upon the differences, it is worth bearing in mind the similarity between the two, embodied in the prevalence of informal arrangements. Mapping the differences has helped to clarify conceptual tools for the analysis of Mexican partnerships. However, the characteristics listed in the table do not necessarily tally neatly with the empirical evidence discussed in Chapter 7.

Before discussing partnerships, it is important to underline the nature of the significance of urban regimes in the Mexican case. This type of study has not been common in analysing Mexican urban development, as the role of national and local business groups was greatly subordinated to central-state decisions until the mid 1980s.[47] However, in the early 2000s there was the first study of urban regimes in the Metropolitan Area of Monterrey (one of the three biggest located in the north of the country) (Bassols, forthcoming). One of the factors that motivated this study was Mexico's urban and political changes that have responded to market driven policies and the initial decentralisation of the state. Particularly, Monterrey's nearness to the US border has made this area act in a more business-oriented way, trying to simulate its neighbour's local development policies. Consequently, the study has focused on the role of local business in setting the municipal agenda, and the entrepreneurial leadership[48] acquired in the process (ibid).

In an analogous way, this thesis argues that the role of business can be observed in setting the policy agenda in other regions (i.e. Bajío Region). Even though business in Mexico was subordinated to government during authoritarian times, the informal arrangements between business-people and politicians have influenced the country and localities' urban agenda, as in the case of Querétaro and San Luis Potosí.

4.5.Public-private partnerships

Partnerships can be understood as 'organisational forms' of governance, which involve organisations working in association with one another. By working

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[47] This comment was emphasised throughout an informal discussion sustained with Prof. Enrique Cabrero at CIDE in January 2004.

[48] By 'entrepreneurial leadership' I mean the ability of a mayor to coordinate the bid of resources coming from different sectors, and his/her ability to convince strategic local stakeholders to take the risks that innovative management and investment forms involve.

together, a process of 'joint collaboration and decision-making' is expected; however, "partners are by no means always equal" (Stoker, 1998, p. 41). Inequalities arise from the extent of knowledge, skills or financial resources that partners possess and which are needed for the partnership to work.

Partnerships have been particularly associated with networks, but they are also forms that can be associated with other modes of governance (hierarchical and market) (Lowndes & Skelcher, 1998). As discussed in Section 4.3.1, networks can generate a challenge to democratic accountability when privileged groups create barriers obstructing transparency and information. Thus within a network context, accountability becomes a principal challenge for governance, especially when organisations – such as partnerships - follow national and international coordinated objectives.

Potentially partnerships are an expression of 'collaborative advantage', through which actors pursue a collective benefit that could not have been obtained by governmental and non-governmental organisations acting separately (Huxham, 1996:14). These advantages can be identified in the pooling of resources or the avoidance of the duplication of effort. These types of activities require, for example, that local government agencies develop a strategic role to manage the partnership's funding streams, to report its performance as well as to promote the relations premised on solidarity, trust, and reciprocity between the partnership's members (Skelcher, 2004: 39). It is not only the role of federal government in guiding the overall objectives that is important, but also that of local governments in creating and maintaining the partnership (which is subject to its local context: geography, population, political culture, history of collaboration – Sullivan & Skelcher, 2002: 116).

The problem that partnerships encounter relates mainly to the obstruction of accountability. This problem can be categorised into three levels: public, performance, and financial accountability (Sullivan & Skelcher, 2002: ch.8). The *public* lack of *accountability* is identified when a dominant role on the part of one

of the partners prevails due to the differences in skills, knowledge and financial resources. These differences increase problems in the communication between partners, affecting the levels of trust and solidarity that in theory an open and inclusive partnership should pursue. This is aggravated when a partnership was created to achieve a public purpose. Also the lack of public accountability emerges as a consequence of elite domination, especially within the legacies of an authoritarian regime in which informal or tacit understandings prevail as part of a clientelistic culture.

The presence of *performance accountability* has been analysed based on the aims of a partnership following a national strategy or a particular local project (i.e. neighbourhood); or based on a partnership delivering a specific service or implementing a more general policy (Skelcher, 2004: 34). The different aims that a partnership may have can explain the levels of discretion in defining programmes or targets, at local, national or international levels (Sullivan & Skelcher 2002: 157). *Financial accountability* refers to the report on the use of funds that a partnership requires to develop its objectives. However, the use of public funds is subject to the employment of financial procedures as a way to guarantee that the resources are properly managed. Generally, this is controlled through specific regulations; however, problems arise when these regulations are not taking place, enhancing discrete decisions and thus a lack of trust.

The problem of accountability can be further exacerbated when partnerships (non-elected bodies) compete against elected representatives to influence the direction of the policymaking process (Sullivan & Skelcher, 2002). A problem arises when the process of local democratisation has enhanced transparent and clear elections (as a result of past mobilisations) rather than promoting a more participative and responsible citizenry. This underlines a way on which society expects elected politicians to meet its demands rather than organising itself together with politicians to accomplish them together (this is further discussed in Chapter 7).

Partnerships have been identified in a wide range of policy arenas (health, education, public safety). However, their creation as an organisational form to promote the regeneration or liveability of a marginalised urban area has been identified in many cities around the world (Evans, 2002). Based on Jessop's (2002) argument, partnerships in the urban policy arena can be regarded as an organisational form that can help maintain the innovative character through which cities seek to achieve entrepreneurship.

It can be argued that the context in which public-private partnerships in Mexico has developed is not completely new. Organisational forms coined as paragovernmental agencies, *fideicomisos públicos* or *patronatos* are predecessors that can be found in the Mexican legal framework since the 1960s (i.e. the Federal Law of Public Administration, Law of Paragovernmental Agencies, and Law of Institutions for Private Assistance, among others laws published by state government legislatures). These organisational forms are equivalent to trusts or boards in which different levels of government as well as different sectors of society collaborate to promote development. Even though the context is not new, a more systematic and publicly known way of creating organisations in which public and private stakeholders collaborate can be observed. This observation has become more evident since neoliberal policies and the decentralisation process have been experienced in Mexico, as well as through the internationalisation of developmental policies, promoted by international organisations, followed by the Mexican government (OECD, 1998).

Public-private relationships have been expressed through strategies of privatisation of local public services such as solid waste collection, transport, housing and general public works (Batley, 1996, García, 2003). At the local level, organisations in charge of urban management have been legally created by lease, concessions and contracting-out strategies, as well as by intergovernmental agreements and the participation of paramunicipal agencies or intermunicipal associations. As privatisation has consolidated throughout the last decade, other forms of collaboration have emerged through co-investment

strategies where the major financial investor has been the private sector and the main legal facilitator and administrator have been public agencies belonging to many different governmental levels. Co-investment has been generally considered a version of concession or contracting-out strategies (García, 2003:251).

In addition, public-private relationships have been restructured in a more systematic way through the creation of partnerships, mentioned throughout national programmes of urban development since the 1990s (Habitat 2002-06; Jones & Pisa, 2000). This form of organisation has been identified in housing and in the shift land use from rural to urban, which has been required for planned urban growth (Batley, 1996; Jones & Pisa, 2000). Partnerships differ from privatising forms of organisation in that the different powers and capacities (that go beyond financial resources such as human knowledge or skills) of the public, private and community stakeholders are harnessed to a shared purpose, working in a parallel fashion rather than hierarchically (Batley, 1996: 736). The operation of public-private partnerships is not as regularised as *fideicomisos públicos* or *patronatos*. This aspect has become a challenge for governments in order to offer better opportunities that increase the participation of public and private stakeholders and that guarantee outcomes that benefit a majority of partners and users (García, 2003; Jones and Pisa, 2000). This thesis argues that partnerships, in Mexico, have been identified for regeneration purposes, especially for the restoration of historic centres and neighbourhood improvement schemes, where the role of municipal government tends to be more active and less dependent on federal government's decision making and management.

It is possible that within partnerships the beneficiaries or users can be directly involved in the formulation or administration of the delivery of a public good. This is more likely to be observed in cases of neighbourhood management (Batley, 1996, Skelcher & Sullivan, 2002). In Mexico, the neighbourhood level partnership can be identified in what are called public-private associations

created through state and municipal citizen councils or committees. Thus it is common to find these associations as part of citizen or political participatory methods (see Chapters 7 and 8).

4.6. Participation

The potential qualities that partnerships provide as a form of organisation are associated with an increased involvement of previously excluded people or citizen groups in the process of policymaking (Lowndes & Sullivan, 2004). Although participation can be regarded as an ingredient of partnership working (Lowndes & Sullivan, 2003), it is a separate phenomenon. Participation plays a broader role within the concept of democracy (Weale, 1999, ch. 5).

Political participation is understood in this thesis as a complement to representative democratic methods (i.e. elections). Political participation is concerned with the day-to-day patterns of citizen political activity rather than confined to voting only (Parry, et al., 1992: 3). Political participation takes on a multi-dimensional appearance insofar as it can be manifested by citizens contacting members of congress or local councillors, going to the town hall and to discuss a problem, attending a public meeting to protest about an issue, signing a petition, becoming part of a public consultation, getting involved in policy or service development, etc. (ibid). The multi-dimensional appearance, at the same time, involves different types of citizens that can express their interests in individual or collective forms, reflecting short-term or long-term interests, or through state sponsored forms or in more autonomous ways (Prior, et al., 1995, ch.8).

Participatory initiatives, either autonomous in character or sponsored by the state, can contribute to deepening the democratic process (Prior, et al., 1995). In particular, participatory initiatives when promoted autonomously by, for example social movements, have been referred to as 'political opportunities structures' (Kitschelt, 1986). For the purpose of this thesis the participatory

initiatives promoted by the state concern mainly the creation of institutions where citizen participation plays a role in the delivery of public services (especially 'infrastructure' services which differ from health and education). The role of citizens within the provision of public services can vary from keeping them informed on how the services are provided to consulting them about the quality of service provision, involving them in the management or implementation of a specific service, or in policy development.

The initiatives or political opportunity structures created by social movements can be observed in their negotiating capacity with governmental organisations or with political parties (referred before as 'social movement institutionalisation' – Section 2.3.1). In the case of Mexico, social movements of the 1960s to 1980s achieved negotiations with the authoritarian state over the provision of services to meet basic needs demanded by popular groups (i.e. electricity, potable water, etc.). However, the ineffectiveness of the authoritarian regime in providing those services prompted a change in the organisation of these movements towards the development of voluntary sector organisations (NGOs) during the 1990s. Other social movements maintained a strong opposition to the regime, arguing for a genuine representative democracy within a competitive electoral environment. By the mid 1990s, other activists from the movements of the 1980s created a new type of movement against neoliberal policies (i.e. *Zapatistas* - Olvera, 2003; Wise et al., 2003). The transformation that social movements attained within the last forty years has created a new space where human rights (including political rights) have started to be reflected in the political institutions (i.e. regulations and ombudsman) of a democratised state. The result has been partly due to both the negotiating skills that previous social movements had attained and the involvement of social movement members in the current political arena. These outcomes are further analysed in Chapter 8.

However, Mexico's democratisation process has also been subject to authoritarian legacies such as the alliance between the political and economic

elites, and the state's corporatism and interventionism in determining participation initiatives, as well as its repressive strategies. The legacies have been observed at national and local levels of organisation where dominant elites have shaped the national agenda, the effects of participative initiatives and the type of vision given to an urban space (Cornelius, 1996; Jones, 2004; Olvera, 2003). It is argued, in Chapter 8, that the combination of top-down participative initiatives (citizen participation within public service policies) with the bottom-up political opportunities (social movements' institutionalisation) produces a fragmented system of participation, which the term governance, in its particular sense, is not able to identify by itself.

4.7. New institutionalism

New institutionalism provides useful tools for analysing the dominance of certain stakeholders and the problems of accountability and rivalry that emerge in partnership. This theoretical perspective is concerned with informal conventions as well as with formal rules and structures.[49] This perspective

> ...pay[s] attention to the way in which institutions embody values and power relations, and [it] stud[ies] not just the impact of institutions upon behaviour, but the *interaction* between individuals and institutions (Lowndes, 2001: 1953).

Socio-political institutions are not just socio-political organisations in the formal sense. Instead they are the 'set of rules' that guide and constrain actors' behaviour. They are the "dos and don'ts that one learns on the ground that may not exist in a written document" and which "may actually be contrary to the dos and don'ts that are written in formal documents" (Ostrom, 1999: 38). This paradox can also be observed through the introduction of new rules, which exist

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[49] Informal conventions are tacit understandings that define how things are done in a certain organisation. Formal rules and structures also define how things are done in an organisation, they are generally found in written documents. However, they can be ignored by informal or tacit arrangements that through time can become of a formal nature (Lowndes, 2001).

in name only, while old rules continue to maintain effective power to direct organisations and people's behaviour (Lowndes, 2005).

Socio-political institutions are processes that are in constant change as organisations and actors' behaviour are able to shape these institutions. Institutions sustain socio-political values (Pierre, 1999), but also the agents' behaviour contributes to enhancing or changing these values. Thus institutions arise or change over time in three ways: as a result of an accident, evolution, or intentional intervention (Goodin, 1996: 24-25)

Different (and in some cases contradictory) sets of rules can exist within a specific socio-political structure. Thus the combination of social relationships and organisations that may develop to maintain or challenge these rules can be thought of as a form of 'institutional matrix' (Pierson, 2004). The multiplicity of actors and institutional levels within 'governance' exemplifies such a matrix. Governance can be seen as an *instituted* process that is created by government's acts of steering which guide and constrain future governing behaviour (Lowndes, 2001: 1961). These acts of steering "embody, preserve, and impart differential power resources with respect to different individuals and groups" (Goodin, 1996: 20).

Power, at a local level, is embedded in socio-political institutions which are shaped by the rules that emanate from higher tiers of government (i.e. supra-national and national levels); by 'institutional templates' that circulate in the wider economy and society (i.e. media, education); and by locally specific cultures and conventions (i.e. 'rules in use') (Lowndes, 2005). This embeddedness responds to historical or path-dependent patterns that have shaped the specific nation or locality (i.e. centralism or clientelism). But, the dynamics on which institutions are dependent can also trigger new changes that, accidentally or intentionally, reconfigure them (i.e. technological changes that impact capital production) (Pierson, 2004). The balance between change and continuity arises through the combination of old and new institutions, as

well as of formal and informal institutions. Partnerships are an example of an organisational form containing social relationships where old and new values and understandings overlap (Davies, 2004; Lowndes, 2001).

Within partnerships and different forms of participation, social relationships are observed based on the differences between the people's interests and their capacity building (based on resources, skills, organisation) to achieve certain objectives. These differences reflect the prevalence of power relations that can halt the inclusion of other agents' participation in policymaking (Davies, 2004; Millward, 2005). This prevalence is reflected in Mexican regeneration partnerships and local participation systems. This thesis is concerned with participation of stakeholders and citizens in the historic centres. The type of participation depends on institutions of an old and new nature. The extent of inclusion can be studied through the introduction of governance as a new institution. Old institutions can be observed through the prevalence of the state's centralism and interventionism and the tacit arrangements between the state and various groups of civil society. The combination of old and new institutions reveals the importance of temporal and spatial dynamics (Lowndes, 2001).

Conclusions

This chapter has considered the city as a space that can be shaped by urban socio-political relationships. These relationships have been analysed through studies of *governance* which consider the state apparatus (and its reconfiguration) as an important intermediary to mould urban politics.

The chapter has presented the theoretical framework that linked macro, meso and micro level processes. The concept of governance has acted as a principal analytical tool to bridge the gap between the micro and macro levels. In particular, the *national-state-centric* approach to governance has highlighted changes at multiple institutional levels that have impacted in the urban arena. Governance, in this sense, has been linked to promotion of organisational forms, such as *partnerships* or other structures of *political participation;* all of which have the potential of enhancing accountability and inclusion. Through *urban regimes* and *new institutionalism,* the model has accorded importance to informal arrangements (including their negative effect), formal rules, and the combination of old and new institutions in the urban policymaking process.

The theoretical framework identified links between the reforms of the Mexican state over the last twenty five years and the organisational forms in which government and other sectors of society participate in defining urban policies. The city has been the space in which the reforms of the state have been reflected at the local level. In particular, urban partnerships and other approaches to political participation have opened up new paths that illuminate the relationship between agency and structure.

Chapter 5 – Methodology: a case study approach

Introduction

The chapter begins by stating the research aims, propositions and questions, developed within a case study approach. The intention is to build a link between the premises stated in the theoretical framework and the particularities of the case studies selected. This link refers to the conceptualisation of participation in urban governance, specifically within public-private partnerships in central Mexico.

The chapter discusses the case study selection process and the focus upon the historic-centre regeneration partnerships in the cities of Querétaro and San Luis Potosí (SLP). The chapter goes on to explain the processes of data collection and analysis. Throughout these sections, reflexive points are developed concerning the advantages, limitations and validity of the research design. The final section discusses the epistemological position of the thesis. The position is a blend of 'critical realism' with the 'integrative approach' of structure and agency (Sayer, 1992; Mahoney & Snyder, 1999). It is argued that structures do not determine social phenomena but they constrain or facilitate their development.

5.1. The research aims

The research aims are based on the multiple level framework depicted in Figure 4.1. The macro level analysis is seen as exercising 'threshold effects' that triggered changes regarding meso level processes and forms (i.e. state reconfiguration promoting changes within the state's internal organisation). The meso level is also expressed through path-dependent structures that condition the form in which these changes occur at the micro level (i.e. legacies of

authoritarian state analysed by governance as partnerships and forms of political participation at the local level). This research has four aims. The first aim is of a general nature:

- To contribute to the analysis of (the potential) role of participation in contemporary Mexican urban governance

The following three aims are of a specific nature. These are:

- To analyse local public-private[50] partnerships as a part of the urban policymaking process;
- To research attitudes and activities of social groups[51] in relation to local public-private partnerships;
- To analyse how local governments follow national urban policies and international organisations' recommendations on issues concerning urban regeneration

5.2. Theoretical propositions

This section states three research propositions, based upon the theoretical framework discussed in the previous chapters. Specifically, the research propositions are related to the three trends that characterise entrepreneurial cities. The *destatisation* of the political regime is considered as a macro level trend that expresses itself through the creation of institutional processes such as 'governance'. As discussed in Chapter 4, this concept reflects the redrawing of boundaries between the public, private and voluntary sectors. Governance also refers to the re-articulation of the relationship between organisations at

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[50] The term private is comprised in this study by the business sector, universities and professional groups; all of them integrated by local distinguished members of society characterised by their resources, knowledge, forms of organisation, trustworthiness and in some cases long standing nature.

[51] Social groups include non-governmental organisations, community or citizen associations, and popular groups that are not sponsored by the government apparatus.

different institutional levels. In particular, the national-state-centric approach to governance (see Section 4.3.2) depicts the Mexican case of state pro-activeness to promote urban entrepreneurialism. The introduction of neoliberal policies and of democratic institutions has open up a space for governance in the political discourse. The diminished intervention of government within the economy and the participation of civil society in policy decisions have both helped to blur the boundaries between the public and private sectors. A way to study the collaboration between sectors can be through partnerships. Thus the first proposition states that:

Public-private partnerships are organisational forms that express a tendency towards 'governance' at an urban scale. Partnerships contribute to the discourse of collaboration between the different levels of government and sectors.

The *denationalisation* of statehood is considered as a second macro level trend that is reflected in the federal government's delegation of capacities to societal actors or to subnational levels of government. In Mexico, political and fiscal decentralisations have strengthened municipal autonomy, especially concerning municipal urban development. Even though these types of decentralisation have encouraged municipal autonomy, the dependence on federal government is still significant considering the volume of federal resources required to develop urban infrastructure. The budgetary branch number 33 has been a clear example. This branch is not only concerned with the municipal capacity-building to administer these resources, but is also concerned with municipal authorities sharing the policy making with civil society. The COPLADEs and their links to the municipal level are the standardised organisational form where civil society is involved. However, the need of the locality to comply with urban competitiveness has favoured the federal initiative on partnerships. Thus the second proposition states that:

Municipal government prefers public-private partnerships over other forms of participation as a means to promote the locality's urban entrepreneurship. At the same time, issues of democratic participation are considered insofar as the discourse of local partnerships allows an environment for higher levels of inclusion than under the authoritarian regime.

The *internationalisation* of the national state is considered as a third macro level trend that is reflected in the federal government's delegating capacities to supranational organisations or in the federal government's adaptation to international recommendations. Through this adaptation direct linkages have been formed between international organisations and subnational levels of government (as a form to enhance local autonomy). However, the federal government's role has been important to link the two institutional scales.

At the same time that local governments had to update their policies to the recommendations of national and international organisations, they had also to be attentive to local stakeholders' pressures (which vary across interests). The demands that these pressures generate have been integrated into organisational forms such as partnerships and participatory systems linked to the COLPADEs. New organisational forms have appeared to be more inclusive and accountable than during authoritarian times. But informal arrangements between local stakeholders seem to favour elitist interests. Thus a third proposition states that:

Municipal governments play a brokerage role to maintain organisational forms of 'governance' (promoted by national and international standards) within a context of specific local pressures. The brokerage role involves 'paradoxical strategies' that give municipal government freedom to favour either a more democratic inclusion or dominance of local elite interests.

5.2.1. The research questions. The following research questions were developed to guide the empirical investigation of the propositions state above:

Do social groups expand the concept of urban governance beyond the arrangements between local government and local private groups?

1. Are conceptions of popular democracy (as a challenge to liberal democracy) incorporated into the political process (i.e. community, popular or citizen participation in decision making)

How do decentralisation policies[52] and new political rights[53] promote (or hinder) partnerships between municipal government and the private sector? (i.e. city regeneration and tourism programmes)

a. Do these partnerships exhibit a capacity for innovation?[54]

b. Are these arrangements formally constituted?[55]

What is the response of social groups to public-private partnerships?

a. Do they look to participate in these partnerships? How does the involvement of social groups affect (or challenge) partnerships?
b. Is this participation state sponsored or autonomous (bottom-up)?
c. Is this participation formally constituted?

What is the nature[56] of the partnership activities and the interactions between stakeholders (municipal authorities, members of the private sector and social groups)?

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[52] They refer to fiscal and political strategies that enhanced municipal autonomy regarding public service delivery and urban infrastructure.

[53] The political rights are considered a parallel phenomenon to the changes tending toward a global economy. These rights refer to free and fair electoral institutions and the participation of marginalised groups within the policymaking process.

[54] Innovative focus means the creation of local institutional and organisational features to restructure the urban space in accordance to global capital needs. New institutions and organisations are supposed to sustain a city's flow of those innovations required to compete.

[55] By formally constituted I mean: publicly known and legally or socially recognised.

[56] By nature I mean: the origins of a relationship, if imposed by hierarchical levels of government or by a local initiative; the duration of the partnership, and the type of goals it aimed for.

5.3. The case study rationale

As the aims of this research are to analyse participation in urban governance, particularly in relation to public-private partnerships, a case study strategy was selected as the most appropriate approach. This study is not focused on the effects of the interventions of social organisations in public-private partnerships. It is interested in 'why' and 'how' civil and social organisations play (or do not play) a role within public-private partnerships, within a context of liberal markets, democratisation, and fiscal decentralisation (regarding urban planning).

The case study approach is defined by Robert Yin as

> ...an empirical inquiry that investigates a contemporary phenomenon within its real-life context, especially when the boundaries between phenomenon and context are not clearly evident (1994: 13).

The case study copes with a technically distinctive situation in which many variables of interest "rel[y] on multiple sources of evidence, with data needing to converge in a triangulation fashion..." and "that benefi[t] from the prior development of theoretical propositions to guide data collection and analysis" (ibid). Thus, the case study is a 'comprehensive' research strategy in which existing theory, research questions, propositions, data collection, and data analysis are closely interlinked. The inclusion of multiple variables, on the other hand, underlines one of the limitations of this approach, the vast amount of information required. This limitation is based on doubts concerning the adequacy of data collected within a project. Another limitation is the case study(ies')'s representativeness and thus the 'credibility of generalisations' made concerning its findings (Denscombe, 1998: 40).

This study does not aim to generalise statistical results over a specific population, but to provide the basis for an 'analytical generalisation' of the theoretical propositions developed in this research (Yin, 1994:30). By selecting two specific cases, the empirical work attempts to provide answers to the

research questions and evidence base through which to assess the propositions. These cases are not representative of local governance in Mexico as a whole, but there are several municipalities within Central Mexico that share similar characteristics.

5.3.1 The case study selection and setting. The research follows an 'embedded' and 'multiple-case' approach (Yin, 1994). The comparative analysis is based on two cities: Querétaro and San Luis Potosí, both located in the central region of the country, named El Bajío (see Map 3.1). With a multiple-case model the advantages stem from establishing comparisons to examine similarities and differences in a combination of characteristics that cross-cut the cases. This contributes to the process of finding a pattern of diversity (Ragin, 1994: 112).

The selection of cases was based on the 'opportunity to learn' about the phenomenon under study (Stake, 1998: 101); in this case about the role of collective participation in city-centre regeneration partnerships. City centre regeneration projects have become relevant in Mexico, particularly during the same period in which decentralisation and democratisation processes began, emphasising as a result the role of the locality.

The criteria to select the cases were based on the theoretical premises of urban competitiveness and innovation, which this thesis interprets as:

- The reaction of local authorities concerning the city's development in the context of its geographical location within the NAFTA corridor. This criterion is related to a relatively good road communication system which modes of global production require. Particularly, road communications have been a key aspect as Mexico started to integrate with the open-market economy. The improvement of motorway number 57, also known as the 'NAFTA corridor' is a clear case that shows the importance of having a cross-border road network.

- The type of investment relations to promote urban development. This criterion is concerned with economic and social relations that are generated in response to the urban changes that a locality requires in order to maintain its entrepreneurial character. These changes tend to create in the city new niches of investment by promoting its cultural heritage and its potential to become a trade hub, especially after road communications have been set as a priority for the country's contribution to global trade.

- Previous collaboration between local authorities and private and social groups in promoting urban development. This third criterion refers to past types of collaboration between the private and public sectors. The relevance of identifying such helps to understand the locality's propensity for creating partnerships and thus for integrating the concept of 'governance' into the political discourse.

- History of collective action as a catalyst of local citizen participation. This criterion helps to understand how past, local social mobilisations' demands have been incorporated into the local participatory system prevailing at the time the fieldwork was carried out. This criterion takes into consideration the democratisation process in which the locality has been immersed during the country's regime transformation.

According to these four criteria many other cities could have been selected, for example cities in the north of the country such as Tijuana or Chihuahua which have been affected by both the economic activities tending to free trade markets (due to their nearness to the US border) and by mobilisations supporting a transition to democracy (as the states which they represent were the first ones to rebel against the one-party rule regime) (Mizrahi, 1994; Rodríguez & Ward, 1994). Also cities near the Bajío Region could have been selected, for example León, Puebla or Aguascalientes. These have been cities that have experienced changes since Mexico started its industrial and political

decentralisation process. Aguascalientes and Puebla have been well known for attracting foreign direct investment, especially the auto-industry. The city of León is another case known for creating its own business elite (i.e. shoe-manufacturing) and also known for its local actors participating in Mexico's transition to democracy. Moreover, all these three cities have elaborated urban regeneration programmes, where the local public and private sectors have collaborated (Bérnard, 1999; Cabrero & Vega, 1999; Jones & Varley, 1999; Morales & Contreras, 2000; Moreno, 1998; Shirk, 1999).

Despite the fact that all these cities could have been studied under the criteria selected, various factors narrowed the study to the cases of Querétaro and San Luis Potosí. The factors were: the city size (in terms of population and extension which challenged the work of one researcher over a period of six months), the distance from the researcher's home in Mexico City (which implied higher fieldwork costs), and the political administration periods of many of these cities that finished during the time the fieldwork was planned to be carried out (suggesting problems with access to information).

Querétaro and SLP can be considered as 'typical' examples, having characteristics which may be found in many other medium-sized cities within the Bajío Region. Neither of them is a metropolis with relatively well developed urban and communication infrastructures. Neither of them has large numbers of firms providing goods and services established within its territoriality such as is the case with other metropolitan cities (i.e. Mexico City). However, their increasing competitiveness in terms of urban infrastructure and economic development are considered within the top five at a national level (Cabrero et al., 2003). Both cities are aiming to make industrial parks more competitive, as well as improving their urban and communication infrastructures. They have been aiming to become economically and administratively innovative municipalities by following strategies designed and implemented in other municipalities within and outside the country (i.e. León, Atlanta-US, San Luis Missouri-US; Yeosu-Korea) (Actas de Cabildo Qro & SLP).

Querétaro and SLP offer interesting results as they are not 'critical' or 'unique' cases, they are average medium-sized cities (tending to become metropolitan cities) that are modifying their economic and socio-political organisations and relationships. The differences in each case depend more on the historical local context which has been encompassed by the national context. These differences, as discussed in Chapters 7-9, are based on how partnerships have developed and on the type of social relationships within those partnerships. With these cases I did not attempt to represent the whole municipal universe in Mexico, but to represent the medium-sized city in a region encountering economic and political change (that tends to be similar across different regions in the world). Based on these four criteria, the next chapter depicts in more detail the local contexts of Querétaro and SLP.

The research timeframe is from 1997-2003. This period was chosen for two practical reasons. The first was the administrative political period which encompassed two consecutive municipal administrations (three year duration each) and one state administration. This allowed the assessment of urban policy continuity, at the municipal level, as it was framed by the same state government. The second reason was that by focusing on past years, the data obtained from the fieldwork was more reliable than that concerning present strategies which may encounter ongoing change. However, attention was paid to key periods such as the transition to democracy and the introduction of neoliberal and decentralisation policies which had started since the 1980s. Also, 2004, the year when the fieldwork was carried out, allowed the researcher to assess how the policies of the 1997-2003 period were starting to evolve within the new state and municipal administrations.

The case studies focus upon public-private partnerships that promote the regeneration of the city centres in Querétaro and SLP. These partnerships are related to the provision of public services and urban infrastructure, as well as to the attraction of cultural and tourism investment. Special attention was paid to

the historic-centre area located within each city centre. The historic areas were considered an opportunity for transforming the city centre into a new niche of investment as well as for creating new forms of organisation that promoted each city's cultural heritage. The units of analysis for each case study are: the historic-centre regeneration partnerships, other forms of participation that are involved in the regeneration of the historic centre (neighbourhood committees and street vendor organisations) and the municipal (executive) government strategies for regenerating the city centre. Across these units of analysis three types of stakeholders were studied: municipal politicians and public officers and local private and social groups.

5.4. Data collection

Two stages were carried out before collecting the data: a preparation stage (fieldwork protocol) and a pilot project that helped to define the former.

5.4.1. Pilot study. A pilot project was carried out between December 2003 and January 2004. The purpose of this exercise was to refine the case study questions (based on the research questions) and to test and modify the interview topic guide. Seven semi-structured interviews were held with the three types of stakeholders (Appendix 4 shows which persons were interviewed in the pilot project). The pilot project was carried out in Querétaro due to its proximity to the researcher's home. The results from the pilot project (tapes and notes) were also useful for reflecting upon several conceptual terms used in the theoretical framework. These terms referred to

- International organisations' recommendations on issues about urban regeneration;
- The existence of partnerships and the characteristics that were observable to asses their capacity-building;
- The involvement of social organisations within urban policies; and

- The characteristics to identify if participation was autonomous or sponsored by municipal government

During this stage I was also able to identify additional contextual variables that had an impact on how participation developed within urban governance. These were the influence of the Catholic Church within local policies, the influence of political parties over local social and private groups, and the increasing relevance of the municipal congress as a counterweight to the municipal president's decisions. Even though these are considered important factors, during the data analysis no emphasis was put on them as they were not central to the research objectives. Instead, they were considered as local contextual factors that helped me understand the regeneration policies and the type of participation involved within them.

Finally, the pilot project was helpful in deciding to pursue a two case study analysis. This decision was considered appropriate based on the researcher's resources and time.

5.4.2. Fieldwork protocol. The fieldwork was carried out between May and November 2004. The first half of the time was spent in Querétaro, while the second half in SLP. In the protocol, a fieldwork schedule was established which contained the initial contacts and informants that helped me to obtain further data and that introduced me later to other interviewees. The protocol also contained the procedures guiding the data collection. This guidance was the case study questions that cross-cut the two case studies' documentary analyses and interviews (see Appendix 5 for the case study questions). The aim of these questions was to begin categorising the collected data to facilitate the comparative analysis. The protocol also contained the topic guides that were used in the interviews (see Appendix 5) as well as themes upon which observation was focused. The case study approach relies on multiple sources of evidence; in this research, three methods were used: semi-structured interviews, documentary review and non-participatory observation. Table 5.1

shows how these methods helped to address the evidence to answer the research questions stated in Section 5.3.2.

Table 5.1. Relationship between research questions and methods used

Research question	Method used	What was obtained
Do social groups expand the urban governance beyond public-private interests?	Documents; Interviews	Meaning given, by local stakeholders, to participation and collaboration
How do decentralisation policies and political rights promote partnerships?	Documents; Interviews; Observation	Factors that promote decentralisation and participation at the local level; Reasons for partnerships to be innovative; Physical changes which had occurred in the city centre; How partnerships are publicly known and socially accepted
What is the response of social groups to public-private partnerships	Documents; Interviews; Observation	Inclusion of social groups in public-private partnerships' decisions
What is the nature of the partnership?	Documents; Interviews; Observation	Extent to which partnerships are externally imposed as opposed to locally accepted

Interviews. The interviews were a source of information used to understand the role of participation in public-private partnerships. The sample of interviewees followed a snowballing technique that sought to interview an equivalent number of stakeholder types (politicians/public officers and members of private and social groups). The interviewees included municipal politicians and public officers who were involved in the regeneration project of Querétaro and SLP during 1997-2003. Many of these interviewees were occupying, during the fieldwork period, federal legislative positions or state government posts, however many others were occupying municipal posts. The other type of interviewees included members representing local chambers of commerce and industry during the period of fieldwork. I encountered difficulty in contacting representatives that led their business groups during the 1997-2003 period.

This was because in the majority of the organisations' representatives changed on an annual basis. Finally, the third type of interviewees belonged to social groups or community organisations such as neighbourhood committees (generally I interviewed the committees' presidents) and street vendor representatives (leaders or secretaries). To a lesser degree, I interviewed member-leaders representing civil organisations involved in the city regeneration projects (see Appendix 4 for further details).

Fifty eight interviews were conducted in total, across the two case studies. However, only forty of them were audio-recorded and transcribed.[57] The rest of the interviews were not recorded, nevertheless a report was written down immediately after the meeting with the informant was over. The aim of recording the interviews was to analyse in detail the language used by the informants throughout the transcriptions. Interviews were not recorded due to several reasons. In one case the interviewee did not want to be recorded. On six occasions the informants decided to offer an interview when the researcher was not planning or expecting to conduct one. In the rest of this type of interviews, the researcher was obtaining information throughout meetings and sessions that were not appropriate for an interview setting (due to the conditions of the place or the dynamic of the meeting). The recorded interviews are referred to through Chapters 7-9 by a 'QRO' and 'SLP' code, while the non-recorded ones are referred to by a 'QR' and 'SLPR' code.

The interviews followed a semi-structured format which enabled me to pursue themes covered by the research propositions, whilst leaving open the possibility of considering conflicting views that interviewees might mention and which were not considered previously (based on Fetterman, 1998: 44). The majority of the interviews lasted between 30 and 45 minutes (this includes both types of

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[57] After permission was given, the interview was recorded on audio tapes while I took notes. It is worth mentioning that the recommendations stated in the Data Protection Act 1998 were considered, so in the end of each formal interview a letter was left for the informant stating that the information obtained was going to be used for academic purposes only.

interviews). Twelve formal interviews lasted more than 45 minutes and 3 less than 30 minutes. In carrying out some interviews, I encountered problems in establishing rapport with interviewees. This situation did not give me enough confidence to ask more thorough questions, especially in situations having regard to financial issues; for example, the sponsorship of a partnership's project or informal relationships held with other stakeholders. I believe that in several cases this lack of rapport was due to cultural reasons or to gender and class issues.

In the case of SLP I found more difficulty in interviewing key stakeholders such as businessmen and local politicians than in Querétaro. This might have been because I built better access networks in the latter case (due in part to the pilot activities in that city). But the difficulty I had in SLP may have also been due to the closed nature of the local elite.

Documentary review. This method was advantageous due to its precision and breadth of coverage (in time, events and settings). The breadth of coverage was important for the research as I did not have any personal experience or deep knowledge of the localities' history or culture. The documents were selected on the basis of their relation to municipal planning or regeneration topics. The main documents are listed below and Appendix 3 identifies the other documents consulted.

- Organic Municipal Law as well as other regulations related to city regeneration projects;
- Urban development plans;
- Reports about programmes and projects regarding urban regeneration;
- Minutes of councils/committees on urban planning and development;
- Documents about projects organised by entrepreneurial associations and social organisations that have an impact on urban development;
- Local and national newspapers;

- Academic papers regarding urban or municipal development and social relations in the municipality

One of the downsides of this type of method is the researcher's bias in selecting the type of documents. However, I believe I overcame this aspect by consulting those documents that were the most accessible to the general public and that had played a significant role in defining the municipalities' urban development. The documents consulted were examined using the case study questions stated in Appendix 5.

During the fieldwork, I found some limitations in obtaining information or access to relevant documents. An example was the reports or minutes of the COPLADEMs (or equivalent) final decisions on how the Branch 33 was going to be spent in both case studies. A second example was being denied access to San Luis Potosí's reports or documents concerning the street vendors' relocation within the city centre. Information on this topic was only obtained from what street vendors and former officials stated, in the absence of being able to consult a written official source. A third example was the existence of a more complete research by local academics into the relationship between local government and business groups in Querétaro than in SLP. Also, in the former case some entrepreneurial associations seemed more interested in publishing reports and books about the entrepreneurial history than in SLP. This difference helped me to understand more fully the business-public relationships in Querétaro. Finally, the time taken in getting information about urban development and regeneration policies and the relationships within them, did not allow me more time to consult local newspapers in a systematic way. Future research could use this type of source to provide an understanding of how the media (and thus the local society) was interpreting the policies of municipal regeneration. This could provide hints about possible informal relationships or arrangements between politicians and the members of private and social organisations (these were difficult to perceive through primary sources during the fieldwork).

Observation. The observation method was non-participatory (Spradley, 1980). The observation focused upon two levels: structure and agency. At the structural level, attention was paid as to how economic changes (influenced by transnational production processes and policies supporting the former) affected social relations and the urban space. Shifting social relations were interpreted in terms of the realignment of social classes within the regeneration partnership of each city centre. Effects upon urban space were seen in terms of the activities and projects implemented to regenerate the city centre. This included not only the image of the area, but the participation of different groups in maintaining the new image acquired. Also, I observed the rivalry between physical spaces, especially between new retail centres vis-à-vis the traditional old city centres.

At the agency level, attention was paid to how the partnership members were participating and their willingness to invite other social groups as the partnerships carried out their projects. I also observed what type of stakeholders participated in the other forms of participation involved in the city centres' regeneration. A special focus was given to the mechanisms followed to coordinate all these participatory forms by identifying a main coordinator. I had the opportunity to attend several meetings of the neighbourhood participatory systems in each case study. However, I could not attend other meetings such as the partnerships' meetings, because by the time the fieldwork was carried out the organisations' activities were hindered by political matters (as discussed in Chapter 7). A similar situation happened when I attempted to attend the meetings of the street- vendor associations with local authorities. In this case, both the members of the associations and the local authorities reflected fear of or lack of trust in inviting an external observer to the meetings. I believe that this type of difficulty could be overcome by spending longer periods of time building a stronger relationship with each of the parties involved.

In summary, the *documentary review* helped me to identify aspects of the way in which ideas about partnership and participation were starting to acquire

shape within the official discourse (ideas and practices). By carrying out *interviews*, I was able to identify if what was stated in the documents was actually being carried out or if informal arrangements prevailed instead. I did not seek to judge the informants' statements but to use them in order to understand how the informants influenced the partnerships' operation and the relationships with other forms of citizen participation. The *observation method* provided material evidence regarding the changes generated within the city centres and the inclusiveness and openness of the organisations that provided information.

5.5. Data analysis

The data analysis consisted of three stages: the elaboration of notes and reports during the fieldwork period; the categorisation of data; and the contextualisation process that triangulated the information obtained from the data collection. Through this triangulation I was able, later on, to build a linkage with the theoretical propositions.

Notes and reports. During the fieldwork notes and reports were produced. Notes were written down during the interviews (formal and informal), but also when official documents or organisation reports were consulted (especially those of which it was difficult to obtain a copy).[58] The points summarised throughout those notes referred to the issues raised in on the case study questions. More systematic reports were also produced including the transcriptions of the recorded interviews and the case study reports that contained an initial analysis about partnerships, other forms of municipal participation, and municipal government strategies for promoting participation in the city centres. The case study reports are classified into two types: individual case reports and a cross-cutting case report. The latter was sent to the informants interested in obtaining a summary of my research (ten in total, three

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[58] On several occasions an electronic version of the documental source was obtained. In these cases, I underlined the points I was interested in rather than writing down a summarised report.

replied but just one stated that my analysis was useful for the municipality's organisational development).

The interviews transcribed did not follow a verbatim version.[59] Instead, they contain a summarised and edited version of the original interview. The summaries of the interviews were considered a practical strategy as the interview transcriptions were translated into English. The aim of translating the interviews was to make more accessible the data collected to non-Spanish speakers, while the tapes are kept in their original version.

Categorisation of data. This stage consisted in breaking-down the data and rearranging it into categories. Three categories were used: theoretical premises based on governance theory and participation; specific characteristics found in the data collected (that were not considered within the original theoretical framework); and elements of discourse analysis such as language and activities or practices reflected in government guidelines and policies and in local stakeholders' reaction to those guidelines and policies (based on Carver et al., 2002; Fairclough, 1992). The categories cross-cut the data of both case studies; the analysis of each category is developed in Chapters 7-9. Table 5.2 summarises the aspects (or codes) in each category.

The whole categorisation process ran as an iterative process. This iteration helped to revise the theoretical propositions in relation to each case study. Also by iterating the categorisation process I was able to triangulate the data collected. The triangulation of data helped me to evaluate certain inferences that I made from the data obtained from one source, but not supported by data obtained from the rest of the collected sources.

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[59] Transcripts are not copies or representations of same original reality, they are interpretative constructions that are useful tools for given purposes. Transcriptions are decontextualized conversations, they are abstractions, as topographical maps are abstractions from the original landscape from which they are derived. (Kvale, 1996: 165).

Data contextualisation. Once the triangulation of data were completed, I was able to bring together the elaborated categories. As a result, I identified the relationships between the units of analysis (partnerships, forms of participation, and reaction of government) and the three levels of analysis depicted in Figure 4.1 (neoliberalism, legacies of a centralist, interventionist state, tacit understandings between elite groups and politicians). These relationships are developed in Chapters 7-9 by not only providing evidence in relation to the research questions and propositions, but also by contextualising the analysis with the macro level trends that entrepreneurial cities follow (destatisation of the political regime, denationalisation of statehood, and internationalisation of the national state).

Table 5.2. Categorisation of data collection

Category	Aspects	Data collected
Theoretical premises	Governance; Collaboration; Coordination; Innovative strategies Partnerships: Nature of creation Management Accountability Partners' background Participation; Level of inclusion	Laws, regulations, programmes or projects, reports, interviews (with the three types of stakeholders)
Elements arising from data collection	International organisations' influence in promoting partnerships; Informal arrangements and tacit understandings (lack of written documents, regulations or codes of conduct); Segmented system of participation	International and local organisations' documents and reports, official minutes of participatory systems, reports and notes written during observation, secondary sources, interviews (with 3 types of stakeholders)
Discourse	Vocabulary used in oral and written text; Activities or practices; Policies (all aspects focused on inclusion, partnerships, coordination, innovation)	Laws, regulations; organisations' reports, programme reports, minutes; interviews (with 3 types of stakeholders), observation on physical space, newspaper articles

In analysing the data, I did not use a specific computer programme to help me categorise the data, as the number of reports, documents and interview transcriptions allowed for manual analysis. I also followed a systematic process in ordering and referencing the data in case the analysis procedure required repetition. The procedures taken to analyse the data are important to construct a valid or trustworthy relationship between the research findings and the real world (Maxwell, 1996). A multiple-case analysis and data triangulation are strategies that can enhance the validity of the research; however, other shortcomings have to be considered and minimised. These threats refer to the interpretation given by the researcher and the lack of consideration of other theoretical premises that could have explained the phenomena from another perspective (Maxwell, 1996; Yin, 1994).

The interpretation threat was minimised by attaining feedback from other colleagues and supervisors. The feedback obtained in the seminars given during the doctoral period offered new ideas and underlined salient points on which to be careful when developing my interpretations. During the fieldwork I had the opportunity to present some of my findings to some colleagues at the Autonomous University of Querétaro. Due to lack of time I was not able to do the same in the case of SLP; however, I was able to discuss further my interpretations with academics familiar with the stakeholders analysed in the research.

The theoretical threat was minimised by taking into serious consideration other theoretical premises that were indirectly considered in the original framework. However, these premises attained a greater significance after developing the data analysis. These other premises are related to theories of power, the analysis of informal or tacit arrangements, and the boundaries dividing participation sponsored by the state and participation by co-optation. As it is observed these other perspectives are considered throughout Chapters 2 to 4 and 7 to 9, but the weak link can be identified in the research questions and

propositions, which did not consider in detail these aspects and which suggest fruitful strategies for undertaking complementary future research.

5.6. The epistemological position of the research

The position of the research is based upon a blend of 'critical realism' (Sayer, 1992) with the 'integrative approach' of structure and agency (Mahoney & Snyder, 1999). Critical realism considers that the conditions and social relations of the production of knowledge influence its content. Hence to understand or explain the social phenomena involved we have to evaluate and criticise societies' own self-understanding (including that of the own researcher and his/her relationship with the social phenomena of study).[60] Critical realism accepts that there exits a field for agency to create knowledge that is able to influence the direction of an event; and consequently to influence structure. Following this argument, the integrative approach states that structures do not determine social phenomena but constrain or facilitate their development (Marsh & Furlong, 2002: 31). Thus a dialectical (or reflexive) interplay exists, meaning that social forces also shape and reshape structures.

Within the integrative approach, historic structures are considered as important shapers of present and future social forces. This is related to 'path dependence' where "the probability of further steps along the same path increases with each move down the path" (Pierson, 2000: 30). But according to this position, "the enduring effects of past structures must be balanced against allowing actors to play autonomous causal roles in subsequent...transformations" (Mahoney & Snyder, 1999: 17). This balance is attained through political institutions which are considered as meso structures that stand between actors and macro level structures (i.e. economic structures such as capitalism; political structures like

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[60] To evaluate critically the researcher has to consider ideas, practices and material institutions that help to maintain those practices. The researcher has also to be aware of those concepts and theories that partially explain the reality of the world's events (Sayer, 1992, ch.1)

that of a centralist regime, social structures enhanced by ideology). Through institutions, whether of a formal or informal nature, human agency is able to create meso level structures during critical junctures and to sustain those structures after these junctures (ibid). There are periods where structuring factors are least determining and actors have a greater degree of freedom to shape subsequent change. These periods can be observed during regime change (i.e. from authoritarianism to democratic regime) (Mahoney, 2003).

Critical realism recognises that social phenomena are causal powers that explain how the world is socially constructed. However, not all social phenomena are directly observable producing, as a result, a gap between reality and appearance. This implies that the object of study is observed under a social construction or understanding that has transformed the object into a 'social object', which differs from pure reality (Sayer, 1992). As a result, critical realists need to study both the external reality and the social construction of that reality (Marsh & Furlong, 2002: 31). Critical realism then attempts to acknowledge causal explanation on the one hand, and the intrinsic meaning of social practice on the other. The acknowledgement of both has raised the dilemma of structure versus agency, insofar as the latter is considered the object and subject of analysis (idem).

In this thesis I do not try to solve this dilemma, but to contribute to the argument that agency can shape structures. Through the 'projective' and 'practical evaluative' elements of agency it is possible that future trajectories of actions are reconfigured and practical and normative judgements are created in order to promote, for example, global capitalism (Robinson, 2004; Sklair, 2001). These elements are related to the actors' desires or fears for the future and they also respond to the emerging demands and dilemmas of currently evolving situations that agents encounter (Emirbayer & Mishe, 1998: 971). The projections of the future, in addition to the present evaluation of circumstances are mixed with the past patterns of action and thought. This simultaneous mixture allows the

existence of old structures within emergent new socio-political institutions that have the potential to transform the former type of structures.

This thesis focuses on past structures, such as the legacies of an authoritarian state (based on (elitist) capitalist interests, with a centralised and interventionist organisation). It argues that they have had an effect in shaping the socio-political and economic contexts of municipalities. However, it also proposes that the social relationships existing within the municipalities are able to contribute to the shape of the new structures emerging from the democratisation process and economic globalisation that Mexico has experienced in the last two decades.

In order to bring together past and present structures a multi level conceptual framework is used (Figure 4.1). At the macro and meso levels, past and present structures are observed such as the reconfiguration of the state and the legacies of an authoritarian state. In combining the meso and the micro levels of analysis, the agents' action is identified, attempting to build a relation with the considered macro structures. The emphasis on the agency is observed in the nature of the research aims and questions, which emphasise the role of local citizens and stakeholders promoting and reacting to regeneration partnerships. Furthermore, local stakeholders' interests in combination with past and present structures are considered as shapers of urban entrepreneurship. This entrepreneurship is sought by localities such as Querétaro and SLP.

Conclusions

This chapter has shown how the theoretical premises developed in previous chapters guided the preparation of fieldwork, data collection and analysis. It also discussed how the empirical setting and some practical restrictions prompted the researcher to reconsider certain theoretical concepts throughout the process of linking theory with practice. This process worked as a reflective tool insofar as challenges and limitations in the research were identified.

To contribute to the analysis of partnerships and participation in contemporary Mexican urban governance, this thesis used a case study approach. It was considered appropriate for pursuing questions regarding the 'how' and 'why' of civil and social organisations reacting to public–private partnerships in the city centres of Querétaro and San Luis Potosí. These two cities were considered typical cases in the Bajío Region.

The research attempts to provide an analytical generalisation of the theoretical propositions stated above. In other words, what the thesis attempts to provide is a basis for advancing theories of governance in contexts where state reconfiguration has been experienced. The data were collected through the methods of semi-structured interviews with the three types of stakeholders; documentary review of official and private reports and regulations; and non-participatory observation of partnership relationships and other forms of participation and of urban places. The data were categorised in order to provide an analysis of decentralisation projects promoting urban regeneration and on participation of social and civil groups within regeneration partnerships.

Chapters 7-9 analyse the findings obtained from the two case studies. But first, the local contexts of the municipalities of Querétaro and San Luis Potosí are elaborated.

Chapter 6 - The research context: the cities of Querétaro and San Luis Potosí

Introduction

The aim of this chapter is to introduce to the reader the socio-economic, political and cultural contexts of Querétaro and SLP. The characteristics of these contexts relate to the four criteria used to select the two case studies: the local authorities' reaction to the city's development in relation to the NAFTA corridor; the type of investment to promote development; collaboration between local authorities and private and social groups to promote urban development; and the history of collective action as a catalyst for local participation.

These characteristics aid understanding of the two cities' urban development within a decentralised and democratised environment. There are two characteristics that are presented here but which are not further discussed in the thesis. These are the role of political parties in urban development and their representation in the municipal government, and the influence of the Catholic Church on cultural and political identity. These two aspects are significant in understanding urban regeneration policies, although they are not central to the argument of the thesis.

This chapter discusses the following features of the two municipalities: location; population and urban growth; economic investment; employment and the informal sector; political party preferences; social class structure; evolution of partnerships; social mobilisations; and Catholicism as part of a regional identity.

6.1. Location

Both Querétaro and SLP are capital cities of the states with the same name. The former city is located at 220 km north from Mexico City and the latter at 420

km north from Mexico City. As mentioned in Section 3.3.1 Querétaro has been considered part of the polycentric region of Mexico City, while SLP's location has been more ambiguous due to its equidistance from Mexico City, Monterrey and Guadalajara. Nevertheless, the incremental transformation originated since NAFTA came into action has prompted geography scholars to classify the cities located along and around the corridor.

The cities of Querétaro and SLP have been identified within the Bajío Region which is comprised of many states: the north of Michoacán, the southeast of Jalisco, Guanajuato, west of Querétaro and, to certain extent, of the south-west of SLP (see Map 3.1).

6.2. Population and urban growth

The cities of Querétaro and SLP began to grow exponentially during the 1980s. Table 6.1 shows the demographic growth.

Table 6.1. Cities' population growth (number of inhabitants)

	Querétaro	SLP*
1960	67,674	206,261
1970	112,995	301,896
1980	215,976	471,047
1990	385,503	613,181
2000	641,386	670,532

(*) These numbers consider the whole metropolitan area, including part of the municipality of Soledad de Graciano Sánchez
Source: INEGI-EHIM; Moreno; CI, 1999.

This growth was not expected by local authorities; hence urban planning strategies began to be developed since the late 1980s (*interviews QR_12, SLP_3;* IMPLAN_doc2, 2002). State and municipal governments have faced serious challenges in terms of urban infrastructure, housing and natural resources (i.e. both cities encounter water scarcity). The provision of public services and housing has been a key aspect for these cities' development; thus it is unsurprising to find that their primary policies and programmes have been

related to changes in land use and improvement and maintenance of urban infrastructure (Actas Cabildo 1997-2003).

An indicator of how investment in urban development has been a priority for municipal authorities can be found in the expenditure directed toward activities regarding street asphalting, pavements, road construction, drainage, sewerage, and electrification. For example, compared with other expenses, such as school infrastructure, urbanisation expenses have been higher in both municipalities. This is observed in the García administration (2000-03) in Querétaro and during the de los Santos administration (2000-03) in SLP. However, as shown in Table 6.2, a stronger bias toward urbanisation is observed in the latter case.[61]

Table 6.2. Municipal expenditure in education and urban infrastructures 2000-03

Municipality	Education	Urbanisation
García administration - Querétaro	$ 126,557,104	$ 170,649,243
De los Santos administration -SLP	$ 21,850,115.40	$ 248,283,474.53
Note: the currency is stated in pesos at constant prices (my calculations based on SLP's municipal government reports 2000-03 and CPWA_Qro 2000-03).		

The rapid demographic growth in these cities was due to rural immigration into the cities, but also from other urban areas such as from Mexico City in the 1980s (Morales, 1998; Moreno, year unknown). This immigration was prompted by increased industrialisation and employment opportunities (including the increase of the informal sector). The cities' spatial extension more than tripled by the 1990s, merging Querétaro with its neighbouring municipality of Corregidora, and SLP with Soledad de Graciano Sánchez. In many official documents, when their neighbouring municipalities are taken into account,

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[61] It is worth mentioning that the resources that helped to finance these urban public works came from federal allocations distributed through Branch 33, particularly the two funds transferred directly to municipal government: FAISM and FAFM. Nevertheless, resources coming from state government and the municipalities' own resources helped to finance these works too.

these cities are considered as metropolises (attaining over 1 million inhabitants).

The direction of the urban growth, in both cases, has tended towards the country land surrounding the original urban layout in colonial times. In the case of Querétaro the city has tended to grow towards the north while SLP has grown towards the south and the west. These growth tendencies coincide with the land once owned by the *hacendados* which was fragmented and distributed to landless peasants after the Revolution. [62] The lost value of the land after the Revolution prompted landlords to sell the rest of the land they kept to government, who then sold it to enterprises like *Ingenieros Civiles Asociados* (ICA) or other local real estate businesses. Some of these real estate firms, which started profiting in the 1960s, are still in business such as the ICA's remaining real estate subsidiaries in Querétaro (AE_Qro, 2004); and the *Valoran* Group owned by the Rangel Lozano family - known as one of the elite business groups in SLP City (Prinver, 2002). Within the urban spaces created by the developers, one can observe the creation of industrial and retail parks, high-ranking residential neighbourhoods and hotels, university campuses, and leisure spaces such as parks and golf clubs.

In parallel to the urban growth that SLP and Querétaro have encountered, they have also maintained their city centre's colonial layout and buildings. The architectural conservation of their buildings has been highly valued by their governments and inhabitants (*Leyes de Protección del Patrimonio Cultural - SLP, 1990; Qro., 1991*). These historic sites have not remained intact; several of their buildings were demolished in the first half of the 20th century, introducing a mixed architectural style such as is the case of SLP. Querétaro, on the other hand, has been more cautious in maintaining the original buildings, however, its central layout was partially transformed in the 1960s when a new road was built connecting the first industrial park with the rest of the city (Miranda, 2000).

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[62] Hacendados were landlords of extensive pieces of land with self-sufficient productivity during the 19th century. The immense inequalities of land distribution originated the 1910 Revolution.

Table 6.3 indicates the proportion of the central area (which encompasses the original layout correspondent to the actual historic centre) in relation to the total size of the municipality.

Table 6.3. Surface of the historic centres, central zones and municipalities

	Querétaro	SLP
Municipal proportion in relation to the total state surface	6.5%	2.38%
Municipal total surface	759.9 km^2	1443.14 km^2
Central zone/delegation	19 km^2	16 km^2
Historic centre	4 km^2	8.4 km^2
Source: consulted 24/08/2005 http://www.e-local.gob.mx, RPPCH_doc1, 2000; Dossier, 2004		

At the international level, a series of meetings were organised between the end of the 1950s and the early 1960s promoting the conservation of historical monuments and buildings. These meetings were organised by UNESCO and prominent archaeologists and architects who produced international documents referring to conservation. Mexico started to recognise several of its monumental and historic towns as national heritage and to apply for UNESCO's world heritage nominations for cities like Mexico, Oaxaca and Puebla in 1980s. Querétaro and San Luis Potosi were nominated as national heritage sites in 1981 and 1990, respectively. Later on, Querétaro was nominated as a world heritage site in 1996, whereas SLP in 2004 was still aiming to attain that nomination.

6.3. The type of investment observed in the cities

To maintain the cities' dynamics, economic development has been considered a significant factor. Since the 1950s both cities started to encounter national and foreign direct investment in areas including textiles, food, and automotive and heavy machinery appliances. It is worth noting how the first generation of rural entrepreneurs called *hacendados* started to get involved in urban modes of production. These modes referred to activities related to the food industry which

has continued until the 21st century through the establishment, in the late 1950s, of transnational firms such as Kellog and Gerber in Querétaro, Canel's in SLP, and Coca-Cola in both cities (González & Osorio, 2000; Monroy & Calvillo, 1997; Morales 1995)

The federal industrial decentralisation strategy of the 1960s prompted many national industrial firms to move out of, but remain near to Mexico City. The firm ICA prompted Querétaro's industrialisation by constructing a road network between Mexico City and Querétaro, by urbanising the land for industrial use, and by financing heavy-machinery manufacturing firms such as TREMEC (Miranda, 2000). SLP did not benefit from the industrial decentralisation as much as Querétaro due to its further location from Mexico City; nevertheless its industry was also developed as a centre for services and trade between the north and the central-south of the country (Monroy & Calvillo, 1997). In fact, the strategic location of Querétaro and SLP in the corridor connecting North and South has been an advantage taken into account since colonial times.

Since the 1980s, when corporate mergers, outsourcing, and subcontracting began to be industrial strategies to reduce costs, changes in the type of investment in Querétaro and SLP were also apparent. Many of the local firms (such as TREMEC) started to merge with the transnational corporations (such as Desc from a Mexican origin) (CI, 1999). A new generation of transnational companies started to establish itself in the Bajío Region forming automotive and electro-domestic appliance clusters. For example, in Querétaro Daewoo, Samsung, Mabe (electro-domestic), and New Holland (building equipment and tractors) were established, while in SLP Mabe and Scania (heavy-duty trucks) arrived (PP_Qro1, 2003).

Particularly, since the NAFTA was signed an increase in trade has been observed (through the establishment of retailers such as Wal Mart) as well as in foreign direct investment. Table 6.4 illustrates the increase in the amount of foreign direct investment (FDI) from 1995 to 2001 and Table 6.5 shows the

number of firms with FDI in the states of Querétaro and SLP. Even though these tables show data at the state level, it is worth mentioning that the municipalities of SLP and Querétaro concentrate a significant amount of this type of investment, for example the municipality of Querétaro concentrated 57% in 2004 (AE_QRO, 2004). In both states the majority of the FDI is directed at the manufacturing industry and the majority of investment comes from transnational firms originated in the US (AE_QRO, 2004; SCD_SLP, 2003).

Table 6.4. FDI at national and state levels

	1995	2001
National	$8,230.7	$23,901.5
State of Querétaro	$42.0	$135.7
State of SLP	$131.5	$124.8
Note: Amounts are stated in millions of dollars Source: INEGI-Anuario Estadístico por Entidad Federativa, consulted 7/4/2005, http://www.inegi.gob.mx/prod-serv		

Table 6.5. Number of firms with FDI at national and state levels

	1998	2003
National	n/a	28,717[a]
State of Querétaro	269*[b]	428[a]
	1997	2002
State of SLP	84[c]	139[c]
(*)This refers to the number of exporting firms which differs from firms with FDI. The latter means firms that have certain percentages of foreign capital in their productive processes, including imports of fixed capital assets. Source: (a) AE_Qro, 2004; (b)CI, 1999; (c) Prinver, 2002		

The environment created for conserving and promoting the city centres of Querétaro and SLP as national or world heritage sites has promoted, at the same time, complementary economic activities that have helped to maintain this status. Among these activities are the promotion of tourism and cultural activities. In Querétaro an increase of 27% was observed from 1997 to 2003 in the number of hotels established in the city, making up 36% of the hotels distributed across the whole state (my calculations based on INEGI-CEM_Qro, 2004). In SLP, an increase of 7% was observed between 1989 and 1995, even though this is not as high as in Querétaro, this comprised 33% of the hotels in the state (my calculations based on INEGI-CEM_SLP, 1996). This

concentration implies an increase if it is considered that between 2001 and 2003 five new hotels (from 3 to 5 stars) were built within the municipality (CPU_doc2, 2004).

During the late 1990s and early 2000s, cultural activities were also promoted through the restoration and construction of new museums such as the Federico Silva Museum in SLP and the San Francisco Museum in Querétaro. The cities' religious feasts or fairs were promoted and advertised as tourist attractions, such as the religious processions during Easter Holidays in SLP and Christmas in Querétaro. In parallel, dance and music festivals were promoted. Many of these events were sponsored by state government, who had contributed in underlining the city's cultural importance in relation to other localities in the state. This is partly due to the economic, political and cultural centralisation of the capital-state cities, maintained since colonial times.

In Querétaro and SLP, the level of political centralisation is evident in the housing of the state government headquarters and the state congress, in addition to the municipal government's headquarters. This political concentration caused, during the authoritarian regime, serious rivalries between state and municipal governments, especially when the former established limits on how the latter had to act in administrative terms within its own territory. The economic concentration can be observed in terms of the GDP, where the city of Querétaro concentrated 85% of the total state GDP in 2000 and the city of SLP concentrated 80% of the total state GDP during the same year (my calculations based on prices of 1980 – Mexico_2020).

6.4. Employment and the informal sector

In Querétaro State the dynamism of its industry during the 1960s created an attractive environment for employment opportunities. This is illustrated, on the one hand, by the agricultural sector employing 69.8% of the economically active population in 1960 and its decrease to 17.36% in 1990. On the other hand, the

manufacturing and service industrial-sectors employed just over 30% of the economic active population in 1960 and increased to 76.72% in 1990 (González & Osorio, 2000: 107). The environment of employment opportunities generated by Querétaro's industrialisation has not maintained high employment rates throughout recent decades. This can be observed, for example, since the early 1990s when the open unemployment rate in the municipality of Querétaro started to register as above the national rate (see Table 6.6).[63]

In SLP's metropolitan area a similar phenomenon was experienced, however, the distribution of the economically active population was more biased toward urban activities than in Querétaro since 1960. In 1960, 20% of this population was employed in the agricultural sector and 78.4% in the manufacturing and service sectors; while in 1980 the former sector only employed 3.9% of the economically active population and the latter two sectors 95.9% (Moreno, p.18, year unknown). In the 1990s, SLP's open unemployment rate was not as high as Querétaro's rate and was lower than the national rate. The following table illustrates these details.

Table 6.6. Open unemployment rate at national and municipal levels

Year	National	Querétaro	SLP
1993-2000	3.82	4.2	2.45
2001-2004	3.04	3.0	2.05
Source: BIE-INEGI, consulted 16/05/2005, http://www.inegi.gob.mx			

As a global phenomenon it has been observed that unemployment rates have tended to increase the number of people occupied in the informal sector. The informal sector has been considered as a direct alternative means to contributing to the family's income; but also it has been considered as an

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[63] The open unemployment rate is defined as the percentage of unemployed people in the economically active population (EAP). The EAP in Mexico includes people 12 years and older who, at the time of the reference survey period, did not work at least one hour during the week, but who were either seeking employment or were trying to become self-employed. Consequently, this rate does not capture a large portion of the underemployed (Federal Reserve Bank of Dallas http://www.dallasfed.org/research/busfront/bus9901.html, consulted 27/09/2005).

outsourcing strategy that formal productive modes of capital require as a way to minimise their production and distribution costs (i.e. the proliferation of sweatshops around important industrial zones and informal commerce) (Robinson, 2003).

In Mexico, according to official sources, the number of people occupied in the informal sector has increased from 8.6 million in 1995 to 10.8 million in 2003 (INEGI*a*, 2001). Even though the construction subsector registered the major increase of workers occupied in the informal sector between 1995 and 2003; in 2003 the services subsector (commerce, restaurants and hotels) remained concentrating the higher percentage of occupancy (31.7%) compared to the construction (16.8%) and the repair and personal services (15.2%) subsectors.

Table 6.7 shows how an increase in the number of people occupied in the informal sector was also registered between 1996 and 2003 in the cities of Querétaro and SLP. In much the same manner as at national level, the percentage of people, in the cities, occupied by informal commerce was the highest within the whole informal sector, however, this concentration is tending to decrease.

Table 6.7. People occupied in the informal sector and in the commerce subsector

City	No. of people occupied in the whole informal sector		% of people occupied in the commerce subsector	
	1996	**2003**	**1996**	**2003**
Querétaro	43,681	62,522	35.9	32.5
SLP	60,841	82,575	34.2	29.8
Source: INEGI*a*, 2001				

The informal commerce is generally observed through street vending. This type of commerce is known for avoiding taxation and regulations regarding wages and quality of goods, although a similar type of irregularities can be found in the formal structures. However, due to the purposes of this thesis, specific attention is drawn to street vending in the city centres of Querétaro and SLP.

During 2000-03, there were 27 and 17 organisations representing street vendors within the city centres of Querétaro and SLP, respectively (BD_QRO, 2000; CCA_SLP, 2000-03). Many of these organisations were affiliated to urban-popular mobilisations as a way to protect themselves from social and governmental disdain. Street vending is strongly stigmatised by the middle and upper classes who consider it an illegal activity carried out by sometimes violent (that react against the use of force of local authorities) and corrupt leaders. Street vending is also rejected by formal established shop-owners who have to comply with taxes and regulations. Thus they consider it unfair that informal vendors are able to avoid these types of obligations.

As opposed to middle and upper classes, popular groups consider street vending as an honest form of living. It is considered as a viable alternative to the limitations existing within the formal employment market (i.e. low real wages, unemployment).[64] In addition, the street vendor organisations' affiliation or alliance with other popular mobilisations has made them fight for political rights and basic needs, such as anti-clientelistic relations between political parties and their leaders, and housing and provision of urban services. These characteristics are important in considering cities such as Querétaro and SLP where part of their spatial expansion has been promoted by irregular and non-urbanised human settlements. Moreover, the negotiations that popular mobilisations have achieved with specific politicians have allowed informal arrangements that can favour the interests of these mobilisations, such as the regularisation of land or the permission for street vendors to stay in a certain area of the city. Some examples of these organisations are the former *Union*

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[64] In 1996 the national minimum wage was of $20 pesos per day, similar to average daily income of the informal commerce, $27 pesos in Querétaro and $ 24 in SLP. In 2003, the national minimum wage was of $41.5 pesos a day, while the daily average income of the informal commerce was more than twice the minimum wage in the case of Querétaro ($101 pesos) and in SLP was of almost $73 pesos (my calculations based on INEGI*a*, 2001 and information downloaded from the Federal Labour Secretariat (STPS) – http://stps.gob.mx, downloaded 23/08/2005).

Felipe Carrillo Puerto (UFCP) and *Frente Independiente de Organizaciones Zapatistas* (FIOZ) in Querétaro and the *Antorchista* Movement in SLP.

6.5. Political party preferences

The most popular political parties in terms of electoral support in the states of Querétaro and SLP have been the PRI and the PAN. The PRI has had a higher representation throughout the municipalities in SLP.[65] This preference was also observed in Querétaro until the 2003 elections when it obtained 44.1% of the total votes in the state regarding municipal elections and represented 14 out of 18 municipalities within the state. When the PAN started to obtain more support its votes were concentrated in several urban localities. Thus it is not surprising to observe that the PAN first claimed victory in the two capital-states (characteristic observed in other localities across the country –Loaeza, 1992).

The PAN's victory started to be seen in the early 1990s in the municipality of SLP, in Querétaro it did not achieve this until 1997. The PAN in SLP won control of the administration for the first time in 1983 and for the second time in 1989. On both occasions it won with the allegiance between the *Navista* movement and the Democratic Mexican Party (PDM) which was supported by the strong religious group in the Bajío called the *Unión Nacional Sinarquista*. The PAN's continuous control was disrupted in the 1995 municipal elections when the PRI won the municipal presidency. However since subsequent elections the PAN has retained office. At the state level, the PAN in SLP did not attain victory in the state elections of 1991. In these elections the *Navistas* allied with the PAN and the PRD in order to defeat the PRI; however, electoral fraud controlled by the latter prevented such a victory. It was not until 2003 that the PAN won the state elections.

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[65] For example, the PRI in the 1997 municipal elections of SLP won in 41 of the 58 municipalities within the whole state. However the PAN won over 11% of the total votes in the state which represented only two municipalities: SLP and Soledad de Graciano Sánchez.

The PAN in Querétaro has followed a different path from that in SLP. The success of this party was promoted by middle-class immigration since the 1980s from Mexico City. These new residents have tended to prefer the PAN especially those belonging to the upper-middle class (Morales, 1998). Querétaro until 1994 was considered as one of the most *priista* states in the country; but it was not until 1997 that the PAN won elections at both the municipal and state levels. The success of the PAN in 1997 was due in part to the success of the party in other cities within the region (León and SLP). But mainly, the cliques within the PRI in Querétaro accentuated a series of corrupt acts that prompted the electorate to support the PAN instead. This situation was considered by Queretans a key aspect that had to be overcome in order to achieve a more democratic system (Espino, 2003).

Furthermore, local family and friendship ties between members of these opposed political parties blurred the formal boundaries between them. For example, in the case of Marcelo de los Santos in SLP, it was known that he coordinated in the late 1980s the *priista* financial campaign at the local level. However in 2000 he won the municipal presidency and then became governor in 2003, in both cases representing the PAN (*interview SLP_5*). Another example was the case of Governor Ignacio Loyola (1997-2003). He came from a local business family that has been known for supporting *priista* regimes. However, the cliques within the PRI in 1997, in addition to the personal rivalries between the *priista* governor in 1991-1997 and the forthcoming *priista* candidate in the 1997 elections resulted in the PAN candidate's victory. This victory was partly supported by the outgoing governor who contributed to the fragmentation within the local PRI (Espino, 2003).

The close relationships between the members and supporters of these two political parties in Querétaro and SLP partly explain the shared vision in promoting the municipalities' urban development. This vision has focused on transforming the capital-states into centres concentrating the infrastructure that

favour transnational markets. These modes require road networks between the city and the rest of the country and, within the same city, between industrial parks and the main access roads. The advertisement of these cities' profiles as tourist centres (due to their colonial heritage) and as trade and distribution hubs (due to their strategic location along the NAFTA corridor) has been a policy promoted since *priista* times (*interview QRO_14*). However, a perception that these policies have been executed by the PAN was observed during fieldwork (RCP_Qro, 2000-03; CPU_doc2, 2004). This perception coincided with the democratic transition and neoliberal consolidation that Mexico as a country has experienced.

The differences between the PAN and the PRI in the two municipalities have been observed in two ways. Firstly, the PAN administrations have followed a more planned and ordered approach in modernising the provision of public services, in simplifying bureaucratic processes within and out of the municipal administration, and in creating a clearer methodological procedure in the promotion of citizen participation. However, this does not mean that the PRI administrations did not consider these factors. For example, in Querétaro during the *priista* administration of 1994-1997, several policies simplifying the administration and promoting more coordinated participation began to be carried out (Gutiérrez & Maya, 1995).

Secondly, the way in which the PRI has approached social mobilisations has been very different from the methods implemented by the PAN. On the one hand, the PRI has been known for co-opting many of the mobilisations' leaders. This method prompted various social groups to reform their internal organisation in order to avoid their leaders' cooptation and provide more accountability to their members about the decisions taken. These reforms have even been observed in social groups which have close relationships with the PRI (i.e. *Antorchista* Movement – based on *interview SLP_20*). On the other hand, the PAN has tended to eradicate any form of clientelism (method favoured by *priistas*). This strategy has resulted in the marginalisation of social

groups and has instead promoted participation through individual methods of citizen participation. Nevertheless, a tendency to re-create groups or organisations of citizens was observed in the early 2000s, but this re-creation was supported by a legal recognition (through a solicitor) that was not followed during *priista* times (based on *interviews Qro_8, Qro_10, QR_7*). The aim of this status is to create a more ordered deliberation between organisation representatives and the *panista* governments.

6.6. The social class structure

In this chapter, the social class structure has been classified using three categories: high, middle and low. Within the local high class of Querétaro and SLP it is common to find the families that once were *hacendados* before the 1910 Revolution. As mentioned in Section 6.2 many of these families sold their land to government or to real estate businesses during the mid 1900s. However, in some cases these families were involved in the real estate business themselves. This class has also been formed by the urban bourgeoisie originated in the 1950s when the industrialisation of Querétaro and SLP began. Moreover, a new generation of the urban bourgeoisie can be identified if the CEOs of the new transnational firms arriving to Querétaro and SLP are considered. Many of the members of the upper class were involved in politics such as the case of two governors in Querétaro: Manuel González Cosío (1961-1967) and Antonio Calzada Urquiza (1973-1979) (based on Díaz, 2004). This class was not homogenous as some cliques existed, such as the ones between the old *hacendado* families and the new generations of CEOs which, for example, tended to live in different neighbourhoods (Morales, 1998; informal discussion local academic Adrian Moreno Mata). High ranking clergymen (i.e. archbishops) of the Catholic Church are also considered as part of this class (Díaz, 2004)

The middle class is comprised of high ranking politicians, government officers, (highly and medium) educated families, businesspeople, and public and private

sector workers. My perception during fieldwork was that the high ranking politicians and highly educated families originally from Querétaro and SLP had close relationships (through family or friend ties) with the upper class. An example can be observed in the close relationships between medical associations (participating in politics) and real estate businesses in SLP (*informal discussion with Adrian Moreno Mata - academic*). However, some highly educated families who migrated to these cities and have lived there for more than 15 years, started to get involved in the same social activities as the upper class, for example the members of the Historic Centre Board in Querétaro. In the case of middle-low income families (public and private sector workers) they were observed to be involved in activities within the informal sector as another way of complementing their income. They relied on their home as a space for production (home goods or food) or sold goods in the streets (based on my observations and *interview SLP_17*). This observation illustrates that street vending is not necessarily an activity developed by the poorest, uneducated families.

The middle class in the states of Querétaro and SLP has been the most active in creating and supporting social mobilisations; for example against an authoritarian regime (i.e. the *Navista* movement, SLP), against the withdrawal of financial credits and high interest rates as a result of neoliberal policies (i.e. *Barzón* Movement, Querétaro), against transnational firms affecting the environment (i.e. local mobilisations against foreign firms such as *Metalclad* and *Minera San Xavier*, SLP), or in demanding basic needs and human rights (i.e. *Antorchista* Movement, UFCP). Several civil associations or NGOs have also been created in order to support marginalised communities or to promote the localities traditions and festivities. The majority of these organisations did not appear to work together despite they were aware of the existence of other organisations with similar objectives. Many of these organisations followed the values promoted by the Catholic Church such as charity and the preservation of religious traditions which form part of the local or regional culture (Díaz, 2004; Santín 2004; JAQ, 2003).

The lower class is generally formed by the unemployed that have emigrated from rural areas. Many of these families represent ethnic minority groups that came from within the same states of Querétaro and SLP or that came from neighbouring states. This class has been the most marginalised in terms of public services provided by government and in many cases has been the most participative within the programmes and projects organised by local authorities (*informal discussions with staff at the Citizen Participation Offices in Querétaro and SLP*). This class has also been marginalised in terms of employment and housing, thus it is not surprising to find many of the families involved in the informal sector. The middle-upper and high classes identify this class as the one of "social disorder" due to their participation within many social mobilisations. In fact, it seemed that the upper classes are not able to differentiate between the middle-lower class and lower class. Finally, the lower class is the one that mostly depends upon government assistance (i.e. provision of basic needs, food, clothes, or temporal jobs).

6.7. The evolution of public-private partnerships

There is evidence that public-private partnerships in Querétaro and SLP have existed since the 19th century, when many of the local *hacendados* got involved in industrial activities. These activities were closely linked to the increase in profits generated by their ranches; for example, the promotion of a textile factory in a sheep breeding ranch, or the creation of a hydrological system that would water a *hacendado's* lands (González & Osorio, 2000; Camacho, 2001).

These types of industrial activities were achieved through the state government's support as they benefited indirectly other sectors of society. With the promotion of the textile industry various roads were built. The roads were financed by the *hacendados* and executed by government; a similar approach was associated with the construction of dams. Projects like these benefited particularly the development of the cities of Querétaro and SLP.

The close relationship between politicians and *hacendados* was also illustrated by family or friendship ties. For example, the governor of Querétaro, Francisco González de Cosío (1887-1911), who owned a ranch himself, benefited from the textile policies promoted by his administration (González & Osorio, 2000).

Public-business partnerships have been observed, especially in Querétaro, through the intervention of the construction firm ICA which promoted the modernisation and development of the city (Miranda, 2000). The arrangements that were achieved as a result of a partnership between ICA and state government relied on:

- the exemption of the equivalent of a property tax to all the lands bought by the enterprise for a period of 10 years;
- the equal sponsorship (between federal government, state government and ICA) of the road that linked the motorway to the first industrial park;
- the promotion of technical schools sponsored by the industry and state government to train workers on the operation of equipment used in firms such as TREMEC; and
- the state government's compromise to convince all workers to affiliate to one of the old corporatist regime's union called CTM (this guaranteed peaceful and controlled strikes to the new enterprises establishing in Querétaro)

Other more recent statutes promoting partnerships are the Federal Monuments and Sites Law (1972), the General Human Settlements Law (1993: art. 48, art. 49 – frac. IV, V), and more recently the Planning Law (2002: art. 34). All of them state that federal government should supervise state and municipal governments in the creation of their urban development plans, for which complementary documents should be elaborated such as: state urban development laws or codes, urban development plans, and urban development partial plans in which historic centres are included. These laws emphasise that the federation, states and municipalities should promote *collaboration* and

coordination in heritage protection actions and investment between the social, the private and the public sectors (see Appendix 3 for more details).

The creation of public-private partnerships regarding the preservation of historic sites and traditions was identified through the Queretan Feasts Board (*Patronato de las Fiestas Queretanas*) founded during the 19th century, as well as other smaller boards in charge of conserving temples (which are considered historic buildings safeguarded by the Catholic Church). The boards safeguarding these temples have been sponsored by the community; in other cases funding from any of the three levels of government have helped to restore important parts of these buildings. The Queretan Feasts Board started as a civil organisation sponsored by different rich families from the city of Querétaro, however in 1974 it started to receive state government funding promoting, as a result, other feasts organised throughout the state (*informal QR_10*).

Public-private partnerships were also created concerning the regeneration of the city centre at a municipal level. In the 1980s, the River Querétaro Board (*Patronato del Río Querétaro*), for example, aimed to regenerate the river considered as the city centre's northern border. This board focused its efforts on cleaning the river and beautifying its surroundings (*interviews QR_3; QRO_14*). The board was formed by the local community and its main job was to supervise the actions undertaken by the municipal authorities in relation to image improvement. In SLP, image improvement of its main plazas and parks was highly promoted by the end of the 1960s. However, since the late 1990s the projects regenerating the city centre were mainly led by state and municipal governments, inviting the private sector (mainly the city centre shop-owners) to sponsor part of the costs (Primer Informe Municipal_SLP, 2001).

In summary, it can be observed that in the development of public-private partnerships, since the 19 century, the involvement of business groups has been persistent. Business groups may not have been the only type of partners, but it seems that they always have formed part of these arrangements. This is

further observed through the analysis presented in Chapter 7 concerning the Historic Centre Board in Querétaro and the Historic Centre Consultative Council in SLP

6.8. Social organisations or mobilisations

The democratic and the urban-popular movements that emerged in Mexico in the 1980s have left their mark on the organisation and activities of various social organisations in the states of Querétaro and San Luis Potosí. Categorising some of these social movements throws light upon the structure of today's system of participation in the two municipalities.

The first category is related to a national scale. Within this category the *Navista* Movement can be identified because of its impact upon the democratic transition process in Mexico, especially in the early 1990s. During that time *Navismo* fought against the *priista* centralist and authoritarian regime. *Navismo* has been considered to be a popular movement due to the mix of social classes participating within it. Even though *Navismo* made a significant contribution to national democratisation, it has also been recognised as having a *Potosin* origin. Some academics argue that *Navismo* made a greater impact at a national scale rather than at the local level (Cabrero & Gil, 1999). Although this might be true, this thesis argues that it made an impact at the local level. Chapter 8 provides further discussion; Appendix 1 presents in more detail the origins and the legacies of *Navismo* at the municipal level.

In the second category several urban mobilisations can be identified. These urban mobilisations represent popular interests or demands concerning basic human needs (i.e. housing, provision of public services, employment or auto-employment) and human rights (especially if their members come from an indigenous background). Many of these mobilisations are affiliated to political parties such as the *Antorchista* Movement (AM) with the PRI or the UFCP with the PRD. Other organisations have maintained their political independence

such as the FIOZ in Querétaro in the 1990s. However, this independence has made them more vulnerable to the subnational governments' use of force which has caused, in some cases, their disintegration as with FIOZ (St. Claire, 2002; *interview* QR_7). The AM and UFCP have had national representation, however, for the purposes of this thesis a specific focus is given to their roles in SLP and Querétaro, respectively (see Appendix 1 for more details). I consider these three types of organisations as some of the creators of new spaces for political participation. But these spaces do not follow a formal arrangement (written document or regulation) as their operation and implementation throughout different political administrations is not officially established.

Finally, in the third category middle-class mobilisations can be identified. These mobilisations involve the political participation of many entrepreneurial and professional groups (i.e. Coparmex, Canacintra, Canaco, architect and engineer associations, academic and research consultants). Previous studies have considered the entrepreneurial mobilisation as part of the broader democratic movement of the 1980s (Loaeza, 1991, Mizrahi, 1994). But as Chapter 8 argues, their local impact in the municipalities of SLP and Querétaro have created a form of participation that has included the middle class in urban policymaking. Appendix 1 provides specific examples of how middle-class groups have been included in the official participative systems at municipal level.

6.9. Catholicism as part of the regional identity

The Catholic Church has implanted religious values throughout the Mexican socio-political identity that have acted in some cases as cohesive instruments but also as causes of conflict and violence between civil and clerical groups (i.e. the religious civil war in the 1920s – *Guerra Cristera*). In the case of the Bajío Region, catholic values have acted as cohesive instruments that have built a culture against the national, centralist state. A first sign of this was observed in the development of the *Sinarquista* Movement between the 1930s and the

1950s. This movement, on the one hand, rose against the national post-revolutionary state policies (i.e. land reform), the federal socialist education system, and the liberal, foreign political and economic ideology that started to influence the Mexican state (Serrano, 1992). On the other hand, it favoured private property, equal wealth distribution, religious education, and the non-intervention of the national state in local affairs.

The movement was comprised of the urban bourgeoisie, clerical intellectuals (Jesuits), and high ranking clerics. However, this movement enjoyed popular support from those peasants and workers that were satisfied with the paternalist environment established by landlords and firm shareholders. *Sinarquismo* since those times has been known for building a local identity based on local traditions, customs, and a religious morality reflected across social classes. It also helped to construct an identity of social order and equilibrium to achieve social peace and prosperity (Serrano, 1992). This is reflected in contemporary times, for example through the political discourse and in the promotion of local traditions in Querétaro and SLP.

The socio-political power that the movement attained promoted the state (through the President) to create strategies of control against the Church. But, instead of getting involved in another violent confrontation, the Church decided to negotiate tacitly with the state as an alternative way of achieving political power (Serrano, 1992). The tacit arrangements between the state and the Church were broken by the late 1940s, generating a crisis within the movement. Despite the end of the movement, the identity it formed in the previous years was consolidated in the Bajío Region. *Sinarquismo,* then transformed itself into a local political power which in the 1980s mobilised itself against the national political control of the PRI (ibid). The origins of the movement came from the city of León and its surroundings; thus it can be of no surprise that León has been a leading city in promoting the principles of electoral democracy in the region (Shirk, 1999). *Navismo* was another movement which had *sinarquista* support, especially through its political party the PDM. *Sinarquismo* has been

also identified as having some links to the PAN, which can be observed through the local alliances between the two in the 1990s.

The religious values that people in the Bajío have followed have responded to their personal interpretations rather than to ecclesiastical structure (García-Ugarte, 1992). The distance observed in the 1980s between the Catholic Church and the people was caused by the interests of the high ranking clerics to obtain political power. Clerics got more involved with the powerful groups as a strategy to obtain power (ibid). In the 1990s, the Church in the Bajío was opposed to the ideological foreign intervention which since then has prompted a diversification in social and political life that has tended to break with traditional values. The threat of this diversification relies on the enhancement of political and citizenship rights rather than moral and religious values (ibid).

The lack of popular support that the Mexican state and the Church encountered, by the early 1990s, prompted a closer relationship between the two. As a result, the relations between the Vatican and the Mexican states were enhanced. Since that moment, the intervention of the Church in political matters has been more open publicly. This is reflected in Querétaro and SLP through the Archbishops' declarations supporting conservative political parties (i.e. the PAN rather than the PRD –*interview QR_8*; Carta Pastoral, 2003) and in the Church's distance from any social movements that used religiosity as a motor for organising and generating social action (Castillo, 2002; *interviews: SLP_5, QR_8*).

Conclusions

This chapter has explored the research context in Querétaro and SLP. In order to maintain their economic competitiveness, both cities pursued government projects and strategies that helped them to create the capacity for innovation. This has been observed in their aim to improve road communication networks, to regenerate their historic centres and to create new forms of political

organisation, such as public-private partnerships. The type of investment, inclined towards the food and automotive industries, has enhanced the need for road networks, especially because both cities are located along a free trade corridor. Also, investment reinforcing cultural tourism has enhanced the city centre's regeneration projects.

Urban infrastructure and industrial activities have been accompanied by new social relationships, with effects on informal labour, migration, and new forms of participation at the municipal level. Partnerships can be considered as a form of stakeholder participation. Even though partnerships have been a form of organisation that has existed for as long as a century, they can be considered innovative insofar as urban policy decisions rely increasingly upon this type of organisational structure. It seems that today partnerships have become a familiar form for promoting urban development. Past social mobilisations have also had an impact on actual forms of participation, especially through their demands on local autonomy, accountability and pluralism. However, negotiations with political parties, tacit understandings and the endurance of class structures are also characteristics that shape each city's development.

By examining these factors, differences and similarities have emerged between the two case studies. This discussion provides an important context within which to understand the analysis of the following chapters; specifically, regarding partnership formation, the role of social mobilisations and the direction of urban regeneration policy. The three remaining chapters analyse the data collected through primary research, drawing on the conceptual framework developed in Chapters 2-4. Each chapter illustrates how the three trends towards an *entrepreneurial city* are observed within the case studies.

Chapter 7 - Historic-centre partnerships: comparing Querétaro and San Luis Potosí

Introduction

This chapter starts to analyse how Querétaro and San Luis Potosí are in the process of becoming 'entrepreneurial cities', based upon the primary research. This type of city is characterised by an "entrepreneurial concern to create new combinations of economic and/or extra-economic factors which will further urban competitiveness" (Jessop, 1997: 31). Urban governments have to be innovative to create and sustain such new combinations within a context of the three trends in state restructuring (Jessop, 1997): *destatisation* of the political regime (shift from government to governance); *denationalisation* of statehood (decentralisation of the national-state to supranational and subnational levels); and the *internationalisation* of the state (national-state adjustments to international policies).

City centre regeneration policies reflect two innovative aspects generally sought by entrepreneurial cities: (a) the creation of new types of places for living, working, producing, servicing, and consuming; and (b) the place-marketing of new areas that enhance the quality of life for residents, commuters or visitors. (Jessop, 2002: 188). This chapter focuses on the destatisation trend at local level, drawing upon governance in its particular sense. Specifically, regeneration partnerships are analysed in relation to the 'collaborative advantage' they pursue and their role as a form of articulation between the public and the private sectors. The chapter makes reference to the other two trends (denationalisation of statehood and internationalisation of the state) but these are discussed further in Chapter 8 and 9.

The chapter analyses data on regeneration partnerships in the historic centres of Querétaro and San Luis Potosí. The regeneration of these historic centres

has become a strategy to transform them into new places for living, producing and servicing. These municipalities have aimed to attract tourist and leisure investment (as a way of maintaining their urban competitiveness) by mainly improving their centres' image and to a lesser degree the quality of life of residents and users. Furthermore, the location of both Querétaro and San Luis Potosí, with respect to other metropolitan centres of production in the country, categorises them as convenient trade centres and hubs of distribution. This chapter argues that the creation and maintenance of these new places is reinforced by the existence of partnerships.

The first section of the chapter discusses the innovative aspects of the two case studies' partnerships by comparing their structure and management. The following two sections discuss the differences and similarities between the partnerships.

7.1. The structure of the case study partnerships

This section explains the creation and operation of the historic-centre partnerships in Querétaro and SLP. It also shows how local stakeholders promoted partnerships in an attempt to pursue a strategy of urban entrepreneurship. The chapter argues that the operational and participatory strategies that the partnerships developed, until mid 2004, to conserve and promote the city centres illustrate *weak* entrepreneurialism (as described in Section 3.3.3). The historic centre partnerships in SLP and Querétaro were formed in 2000 and 2001, respectively. SLP's partnership was called the Historic Centre Consultative Council (HCCC) and Querétaro's partnership was called the Historic Centre Board (HCB).

7.1.1. The Historic Centre Consultative Council. This partnership was created through a state government decree (Decree, 2000).[66] The objective of this partnership was to preserve, restore and promote the historic centre of San Luis Potosí. In 2000, when local stakeholders perceived major possibilities for this centre to attain world heritage nomination, the objective of elaborating a correspondent document, which justified this nomination, became the main aim of the HCCC. This document was known as the 'dossier'. This new aim demanded an internal restructuring which simplified the partnership's operation, including at the same time, citizen participation as a result of a UNESCO's recommendation (*interview*: SLP_4).

The formation of the HCCC was innovative as it was able to bring together representatives from the private and the public sectors to promote the importance of the city centre's development. This innovation was embedded in a cordial environment where the credibility of the partnership was underpinned by the clarity of the project (world heritage nomination) and the collaboration of *priistas*, *panistas* and *navistas* (*interview: SLP_4*).

Even though the HCCC aimed, in an indirect way, to pool resources from different levels of government and other sectors, the HCCC administration was sponsored by state government, supported to a lesser degree by the Autonomous University of San Luis Potosí (*interviews*: *SLP_4, SLP_4 bis*). During the 1997-2003 administration, other similar partnerships related to urban development were formed such as the State Urban Development and Housing Consultative Council (referred to 'expert councils' in Chapter 8). Several of the members from this partnership belonged to the HCCC as well. These members were representatives of professional, academic and entrepreneurial local organisations.

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[66] The creation of the council was firstly promoted by Governor Horacio Sánchez (1994-1997) then it was formalised by Governor Fernando Silva Nieto (1997-2003) and continued by Governor Marcelo de los Santos (2000-06).

The HCCC was made up of a 'directive' committee and a supervising commission. Another innovative aspect of the HCCC was the participation of citizens occupying the directive committee posts (president, secretary and treasurer) rather than having them held by government representatives. However, these citizens already had informal relationships with Governor Fernando Silva Nieto (1997-2000) due to their common interests in conserving the city centre (*interview:* SLP_4). Within this committee, the role of the state, municipal, and federal representatives was significant (i.e. State Secretary of Tourism, Municipal Director of Urban Planning, regional officer of the National Institute of Anthropology and History -INAH), especially as state and municipal officers occupied the presidency and secretarial substitute posts. Other representatives in the committee belonged to the Archbishop's Office, local entrepreneurial chambers, professional organisations, the Autonomous University of SLP, and members of the state congress. I observed that this committee was considered the strategic body due to its potential influence upon policy decisions concerning the historic centre.

The supervising commission was made up of other private sector representatives belonging to other local universities or research centres, business groups, and civil associations (the majority were of local origin, but the international NGO, ICOMOS, was also invited), as well as other state government agencies. From what I observed this commission only worked as an advisory body, without participating in the partnership's decision process.

7.1.2. The Historic Centre Board (HCB). In Querétaro this partnership was created as a civil association, strongly supported by the municipal administration of Mayor Rolando García (2000-03). The board's main objectives were: (i) to promote the historic centre's restoration, conservation and protection through interinstitutional programmes and citizen participation; (ii) to seek, in coordination with the authorities, for financial and physical resources to conserve and restore the area; and (iii) to coordinate activities from national and international organisations interested in the promotion of the centre (Acta

Constitutiva, 2001). The innovative characteristic of the HCB was that a civil association became the organisation in charge of promoting the historic centre's development. It was not only a governmental initiative but also a civil interest; as a member of the board expressed it "the innovation consists of civil society developing a concrete project" (*interview: QRO_7*, my translation). Furthermore it was not a state governmental initiative but a municipal one. These aspects can be interpreted as an example of the autonomy that this municipality attained in response to the national urban decentralisation policies.

The HCB was made up of a directive and a technical council. The directive council was responsible for building relationships with strategic groups to obtain financial and political resources and to promote the interests of the board. This council was formed by ten citizens who were considered respected and distinguished persons in Querétaro. Some of these people belonged to traditional, local entrepreneurial families.[67] Some members had informal relationships with Mayor García insofar as they were local (ex)politicians interested in conserving architectural beauty, as well as in developing the economic activity of the city-centre (culture and tourism). Even though other state and municipal organisations existed to promote Querétaro's economic and urban development, the HCB's members did not apparently participate directly in these other organisational arrangements.

The technical council was formed by the board's president and technical director, the INAH's director in Querétaro, the State Director of Monuments and Sites and a mayor's representative. This council was in charge of revising technically the proposals made by the directive council; technical knowledge controlled to a great extent the board's policy decisions. Table 7.1 summarises the organisational structure of each board.

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[67] These families were González de Cosío, Urquiza and Ruíz Rubio which have been known as landlords or CEO's of transnational companies such as Coca Cola.

7.2. The differences between the HCCC and the HCB

After comparing the structures of both partnerships, it is worth underlining the differences between them. From my perspective these are mainly explained in terms of their original structure. Three main differences were identified: the profile of their membership, the type of projects carried out by each partnership, and the strategies of social inclusion that each organisation followed.

7.2.1. The profile of the partnerships' membership. In the case of the HCCC the posts of president, secretary and treasurer were occupied by individuals considered respected and distinguished within Potosín society. They had the ability to build new social networks and the potential to influence urban policies (*interview:* SLP_15). Apart from these three posts, it was interesting to see that the HCCC invited other local organisations that the HCB did not; for example, the chamber of commerce (CANACO) and the construction chamber (CMIC), the Autonomous University of SLP, the Archbishop Office, and the Architect Association; and, within its supervising commissions, various local civil associations promoting the city's conservation and traditions like: *Tradiciones Potosinas*, *Tierra y Signo*, and *Pro-Defensa del Patrimonio Cultural*.

Table 7.1. The organisational structure of the HCCC and the HCB

	HCCC_SLP	HCB_Qro
Aims	To preserve, conserve and develop the city centre; To elaborate the dossier to attain the world heritage site nomination	To preserve, conserve and develop the city centre; To coordinate efforts coming from local, national and international organisations
Membership	Led by distinguished and respected local citizens; Network of informal arrangements due to previous social relationships; Formed by a wide range of civil and public organisations	Led by distinguished and respected elite citizens; Network of informal arrangements due to previous social relationships
Main actors in the partnership	State Tourism Office; INAH; Autonomous University SLP; Municipal Direction of Urban Planning (since 2004); HCCC Director and President	State Direction of Monuments & Sites; INAH; HCB Director and President; City Mayor's particular staff
Structure	Directive committee and supervising commission; Promoted by state government	Directive and technical councils; Supported by municipal government
Administration	Directive staff received a salary, other members worked on a voluntary basis; Administration costs sponsored by state government and to a lesser degree by the Autonomous University of SLP	Directive staff received a salary, other members worked on a voluntary basis; Administration costs sponsored by private sources and operation costs by municipal government and local businesses
Innovation	Gathering of public and private organisations (with different political tendencies) to promote the city centre's development and local identity; Collaboration between citizens and public officers	Collaboration between public officers and a group of citizens for conserving and developing the city centre

In the case of the HCB, its membership was more elitist and individualist. It was elitist in that many of its members were related to some of the prestigious families in the city; however, it only invited individuals (instead of organisation representatives) with the ability to attract political and financial resources and knowledge. It did not invite the Autonomous University of Querétaro (which was a prestigious institution), other civil associations which were active in promoting Querétaro's traditions and open spaces, nor any of the representatives of the local business groups - although indirect links existed through the HCB president who was also the 2004 vice-president of CANACINTRA. Regarding the Church, it was not until mid 2004, that the board decided to invite a representative of the Archbishop's Office as a member of the directive council.

Differences in membership (in scope and profile) appeared to be affected by the level of government initiative. The HCCC, as a state government initiative, had a wider vision of inviting different organisations to liaise with it; whereas the HCB, as a civic initiative, only focused on its immediate interests. The curious thing is that in the HCB's documentary discourse and activities, the participation of other citizens was more important than it was for the HCCC. A couple of reasons that explain this participative interest are (a) the UNESCO's recommendations that closely guided the HCB's objectives and activities[68] and (b) the reflection of Mayor García's political interest in building up a participative society (as he thought that Mexicans had to understand that government alone was not going to resolve all the problems - *interview QRO_16*, my translation).

In the case of the HCCC, despite its original purpose of including various private organisations, it was not able to integrate them beyond its rhetoric. The strongest participants were the INAH and the University through their provision

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[68] This influence came from ICOMOS and the European organisation called Urb-Al which based their working vision on the Washington Charter (its official name is Charter for the Conservation of Historic Towns and Urban Areas). The Charter was published in 1987, aiming to preserve and integrate historic and religious sites within modern urbanised areas across cities around the world.

of technical and logistic support. The HCCC's lack of broad membership participation seemed to be related to its focus on the dossier elaboration, which required technical knowledge and expertise. This reason emphasised the role of the INAH, leaving other members within the council with few tasks or responsibilities to carry out.

7.2.2. Projects carried out by the partnerships. In the case of HCCC, the main project accomplished was the dossier elaboration within a period of four years. Even though there were various projects carried out regarding the centre's regeneration between 1994 and 2004, none of them were managed by the HCCC. Before the HCCC was formally constituted in 2000, regeneration projects were generally considered to be the governor's priority programmes. These projects concerned image-building improvement measures such as the restoration of temples, colonial buildings and public gardens, street pedestrianisation, and some underground cabling. For most projects state and federal governments were the main sponsors. However, a third of the cost of street pedestrianisation, in 2001, was sponsored by the local shop-owners (Primer Informe Gobierno SLP, 2000-03). This project can be considered as weak or instrumental due to its short term duration.

The HCB was more active than the HCCC. It was responsible for carrying out projects regarding underground cabling that helped to bring into relief the buildings' architectural beauty. It also developed technical tools that were necessary for governmental agencies to elaborate an adequate city centre development plan regarding the diagnosis of land use, urban services, housing, and building conditions. The board was able to carry out various specific projects thanks to the sponsorship of municipal government within the period of 2001-03.[69] Some evidence existed which showed that the HCB received small donations from firms located in the city like Daewoo and Coca-Cola. However, these amounts were very limited compared to the sum given by the municipal

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[69] The HCB received an amount of $10 million pesos equivalent to £500,000 sterling pounds (AA, 2001).

authorities (P-01_HCB). It was the mayor's personal interest in promoting the city centre that significantly helped the board to obtain resources. After Mayor García's administration ended, the HCB started to encounter serious financial problems in continuing to develop the projects it had in mind (*interviews*: *QR_2, QR_4*). It was arguably its lack of accountability to the rest of the public which hindered further development.

7.2.3. The partnerships' social inclusion strategies. In both cases, the partnerships were influenced by UNESCO's recommendations on participation during the conservation process of historic sites. Particularly, this was established in the Washington Charter:

> The participation and the involvement of the residents are essential for the success of the conservation programme and should be encouraged. The conservation of historic towns and urban areas concerns *their residents first of all* (Washington Charter, 1987, my emphasis).

This international recommendation was enforced at a national level by the Law of Archaeological, Artistic and Historic Monuments and Sites (1972). The INAH, through its regional offices located in Querétaro and SLP, was responsible for promoting ideas of social participation and inclusion into the conservation of heritage sites as well as supervising the implementation of this law. Moreover, the direct relationship that each partnership had with international organisations for conserving historic urban sites (i.e. Urb Al, ICOMOS) prompted them to include in their discourse the importance of citizen participation. Statements, such as the one above from the Washington Charter, were used by the INAH to complement the ambiguities or gaps of the 1972 law, especially those concerning the integration of urban historic areas with modern ones (*informal discussion with INAH conservation officers*). For this reason, it can be argued that an international recommendation can influence particular cases, such as the HCCC and the HCB, through their close relationship with the INAH offices. This situation exemplifies the internationalisation of the local state through the creation of partnerships.

However, the broad recommendations suggested by the Monuments and Sites Law and international organisations did not specify the strategies to promote citizen participation in the conservation and development of historic sites. This situation led the HCCC and HCB to develop different understandings of participation. The HCCC, as previously mentioned, was more plural in inviting various organisations to be part of the council's directive committee or supervising commission. Nevertheless, the predominant role of the INAH and the focus on the elaboration of the dossier limited the HCCC's capacity to include all of its members in a meaningful way. It appeared that the HCCC director had never met some of the members forming part of the directive committee. The holding of only one meeting during a period of four years supports this statement.

The reason given by the HCCC director, as to why the supervision committee met only once, is that it was due to its lack of technical contribution to the elaboration of the dossier. Another reason that can explain the partnership's weak internal coordination was the low number of staff in charge of organising the council's events (three people). This situation complicated the logistic and administrative operations even further. Thus the plural participation that the HCCC claimed, by creating a wide membership, was mere rhetoric as many members were involved in name only.

Social participation was also understood by the HCCC as the people – from different backgrounds and social classes - participating in religious processions, as well as in the logistics and organisation related to them (Dossier, 2004). This is why the HCCC invited civil associations, such as *Tradiciones Potosinas*, in charge of organising these types of events. It is worth mentioning that the pilgrimage, and the social participation involved, was one of the criteria that the partnership used to promote San Luis Potosí as a world heritage site.

However, participation was not interpreted in terms of popular groups being able to influence the agenda or decision-making process of the HCCC -

including street vendors and neighbourhood boards (either autonomous or sponsored by local governments) - on which this research focuses. What is paradoxical is that the HCCC was aware of the need to relocate street vendors to designated areas in order to highlight the architectural characteristics of buildings and plazas (PRUCH_SLP, 1997), as well as of the need to improve the housing conditions of those residential neighbourhoods in the city centre.

In Querétaro, the HCB's attempts to involve other individuals and organisational representatives were more effective than the HCCC's; one of the first tasks of the partnership was organising a public consultation and a series of workshops (apparently sponsored by municipal government – *interview QR_4*). In these events different members of society participated in order to debate the elements that the city centre should conserve and develop.

Despite these efforts at inclusion, the HCB was perceived as closed and elitist by people belonging to other civil associations interested in conserving the historic centre such as *Fundación Esencia Queretana* and *Centro de Información Ambiental*. This view was also reflected in various articles in the local newspapers (P-02_HCB). The criticisms focused on how public consultation was not well publicised and on how the workshops were just directed at people or organisations somehow related to the HCB's interests. According to the HCB director, taxi-drivers and newspaper sellers were invited to the workshops, but checking the attendance list there was no evidence of such participation. Residents and representatives from local businesses also stated that they had attended the workshops but were unable to make any real contribution (*interviews: QRO_6, QRO_11, QRO_12*). Later on, I found out that several residents were informed about the existence of the HCB through the municipal delegational meetings, instead of being approached by the HCB (DPVS_doc, 2000-03). From my point of view, the HCB made a mistake in not providing information about its development to the representatives of civil organisations and residents, especially to those that were invited to the

workshops in an attempt to listen to the residents' views on the city centre's conservation.

With regard to housing improvement and the relationship with street vendors, the HCB found barriers that obstructed its coordinating capacity, accentuating as a result its weak participatory inclusion. The HCB made an initial attempt to start a housing improvement project. This attempt consisted of diagnosing the condition of many houses (owned by low income families) within the neighbourhoods of San Francisquito and San Sebastian. Within this project the HCB attempted to lobby federal and state housing agencies to pool financial resources or credits to help these families improve their housing conditions. However, the HCB's lack of official status as a local authority undermined its coordinating capacity to gather together the different levels of governmental housing agencies to discuss the matter. As for the residents, they were initially contacted to diagnose the state of their house; however, after this stage was over they were no longer informed about the status of the project (*interview QR_5*).

By the time the HCB was created, it encountered an advantageous situation regarding street vending. This advantage was due to the street vendor relocation programme that the Garrido administration (1997-2000) carried out in the city centre. With this precedent, the HCB did not have to plan strategies to relocate street vendors in order to highlight the architectural beauty of the city centre (See Chapter 8 & Appendix 1). However, if the HCB was looking to improve the quality of life of the centre's residents and users in an inclusive way, it was not illogical to think that the board would have approached street vendor organisations to listen to their points of view, especially after becoming important stakeholders for promoting the area.

Nevertheless, this did not happen for two reasons. First, the board did not include the established shop-owners in their activities and decisions on a continuous basis (*interview QRO_12*). Second, there existed a lack of

information about the organisational structure of street vendors, which increased the social fear and rejection towards them due to their 'autarchic' behaviour witnessed at the end of the 1990s (see Appendix 1). For example, the HCB director declared that street vendors were not invited to the workshops because the board dealt with legally constituted organisations (*interview QRO_15*). However, he did not seem to be aware that several street vendor groups had become legal associations, as the local *panista* administrations sought to dissolve the old regime clientelistic relationships of the old regime (*interviews: QRO_8, QRO_10* – see Section 6.5).

Not surprisingly, the issues of street vending and housing are part of the international agenda. ICOMOS supports that the relocation of street vendors and housing improvements in historic towns are problems in need of special attention. Regarding housing, the Washington Charter underlines that "the improvement of housing should be one of the basic objectives of conservation" (WC, 1987), whereas street vending is considered as a 'pest' that needs to be controlled to achieve conservation (Campesino, 2001). The international discourse may be one reason to understand why the HCCC and the HCB included in their rhetoric the importance of integrating residents and street vendors' perspectives in the centre's conservation project.

In summary, this section has compared the two partnerships by discussing the chief differences in their composition, their type of activities and their response to the discourse of participation (among their members and with the outside). The strategic selection of their members (including public and non-public stakeholders) revealed the efforts of local governments in Querétaro and SLP to comply with innovative forms of organisation by formalising the collaboration between the public and the private sectors. This was the case with particularly image-building strategies. These types of projects reveal their level of urban competitiveness to be weak as it focused only on creating immediate outcomes without achieving a more inclusive and active participation. This exclusion was evident on the lack of participation of popular groups or neighbourhood board

representatives as part of the partnerships' membership. This shows a limited understanding of other participatory methods in the municipality. In particular, this exclusion illustrates that not all partners are equal. The following section argues that, among these stakeholders, the role of government is central as it works as initiator, sponsor, decider, and problem-solver of the partnerships' activities.

7.3. The similarities between the historic centre partnerships

A marked similarity concerned the significant role of government (at all levels) in promoting the creation and management of both partnerships. The government's role was observed through four dimensions: the types of activities that the partnerships carried out; the partnerships' accountability; the INAH's strong influence on the partnerships' final decisions; and the way in which each partnership depended on local governments to overcome social conflicts.

7.4.1 The partnerships' motivation to carry out activities. Chapter 4 proposed that an organisational structure of governance can provide integrated action through coordinating mechanisms in order to acquire goals otherwise not attainable (Stoker, 1994). To pursue such a goal, the HCCC and the HCB were created to promote the city's marketing strategies that converged with political interests. Box 7.1 exemplifies this statement.

The examples in Box 7.1, show that it was in these governments' interest to start a partnership to exploit each city's economic potential. In the case of the HCCC it was Governor Fernando Silva Nieto who published the decree of its creation (and maintained by his successor Governor Marcelo de los Santos). In the case of the HCB it was Mayor García who strongly supported the integration of the board as a complementary body to sustain the demands that an international event required. These examples reflect the *urban regime* model, showing how the politicians' leadership tends to attract and coordinate resources within a multi-actor and high risk scenario.

Box 7.1. Examples on politicians' dominant interests

The HCCC's dossier was used to promote SLP's national importance and as an instrument to attract additional financial resources (Actas Cabildo, 26/09/2000). With the dossier in hand, governor Marcelo de los Santos (2000-06) gained from the national habitat programme (run by the federal social development secretariat) financial support for regenerating several streets in the city centre (*interview*: SLP_4 bis). This source of funding shows how SLP has developed a city centre conservation policy which is just as important as the other nine cities nominated as world heritage sites in Mexico.

The regeneration of the *Platitos* plaza by the HCB was also considered a strategic project that showed how municipal government was able to diminish social nuisance by shifting musical bands playing in the plaza (*mariachis*) to another area wHere the residents would not be disturbed. The musicians' noise had been being reported as a municipal problem since the early 1990s (P-01_HCB).

Mayor García nominated Querétaro as the expo-universal venue in 2010 (implan_doc3). This international annual fair gathers different companies and firms from across the world to promote products and services. The potential volume of people that this kind of event attracts is an opportunity to invest in the city's infrastructure. The re-imaging of the Ocampo street by the HCB was considered as one of the pilot projects to enhance the infrastructure required.

The involvement of several representatives of the private sector (including people with professional links to local business groups) in the partnerships' membership was important to sustain innovative forms of organisation. However, the support of local governments was vital for these partnerships to work. In both cases it was observed that governmental representatives formed part of the strategic groups within the partnerships. The governmental representatives belonged to the three levels of government, state government and municipal government playing a primary role in the case of SLP and Querétaro, respectively. In both cases the INAH's participation was observed to be equally strategic in helping each partnership to attain its aims.

7.3.2. The partnerships' accountability. As discussed in Section 4.5, partnerships need to be accountable, especially when they have been created

for a public purpose. Accountability is understood as the existence of electoral arrangements regarding the formation of membership, as well as the access to information and codes regulating standards of conduct (Sullivan & Skelcher, 2002).[70] In the British experience, partnerships have tended towards a shortfall in accountability terms, due to the location of partnership bodies at arm's length from centres of elected political authority and the majority of members are not being subject to an electoral mandate (ibid). Another reason for this shortfall is the considerable degree of discretion in defining the partnership's programmes and targets within broad and ill-defined national or regional policy contexts (2002: 157). However, this high degree of discretion, leading to *informal arrangements,* has been considered of relevance (and to some degree inevitable) for understanding urban politics (Lowndes, 2001; Stone, 1989 – Section 4.4.). For the cases studied in this chapter, a similar argument can be found regarding the shortfalls of accountability.

The HCCC and the HCB can be considered as an extension of the elected political authority, specifically of the heads representing state and municipal governments. In each case, respectively, the governor and mayor intervened in selecting the members that formed each partnership. However, they maintained their direct participation separately from the partnerships' formal activities. This separation aimed to counterbalance the governor or mayor's decisions in order to guarantee an objective and plural regeneration policy. This counterweight also aimed to create an institutional environment for this kind of policy to continue throughout different administrations. However, the counterweight that this separation attempted was undermined by informal arrangements between the heads of the executive power and the partnerships' membership (limiting accountability to other civil groups). I observed these informal arrangements through the lack of a delivery plan and the lack of written codes of conduct.

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[70] It is important to notice that the aspects referring to accountability at this level are related to the aspects of broader democracy's horizontal and vertical accountability, see Section 2.2.1.

Neither of the partnerships had develop a delivery plan focusing instead on specific projects demanded, to a great extent, by local authorities (i.e. dossier elaboration, street re-imaging). These demands accentuated the tacit understandings between the partners and politicians. Based on staff statements these agreements were arrived at during the partnerships' meetings which were not recorded in any formal document (*informal discussion with HCB and Direction of Monuments and Sites staff*). These agreements were also approved by the INAH (and by the Direction of Monuments and Sites in Querétaro) whose technical opinion worked as a final filter to decide on a project's feasibility.

In the absence of their own delivery plan (without being subject to the demands of government), there was no instrument for the partnerships to become accountable to the public. Both partnerships were aware that it was important to inform the public about their projects. But the lack of a working plan, against which they could to be evaluated, created an assumption between their members of not having to report to the public. The initial period of their work, in which both partnerships were studied, was characterised by strategies that provided them with practical credibility rather than legitimacy from the general public. This attitude caused the public bitterness detailed in Box 7.2.

In the case of the HCB it was seen as more important to spend money on restoring a building than on pamphlets or updating their website (*interview QRO_7*). In the case of the HCCC, it was more its fear of creating a forum of slow action which led to limits being placed on inviting the general public to participate in the partnership's activities. This fear was based on SLP's background of social and political conflicts that prevailed in the 1990s; as one of the members in the council stated "an open consultation...[or] to open a process as a plebiscite style would be like committing suicide!" (*interview SLP_4*, my translation).

A lack of accountability also existed regarding the partnerships' financial reports. The creation of the HCCC as a para-governmental body explained its

direct reports to the State Treasury Office, only. In Querétaro, municipal government was questioned by other civil associations about the resources given to the HCB, which was also registered as a civil association. The preference toward the HCB was considered as favouritism by other

Box 7.2. Pubic bitterness as a reaction to limited accountability

In Querétaro, the HCB's lack of financial accountability generated public bitterness. The bitterness came from citizens involved in the city's urban development, such as the members of the *Centro de Información Ambiental* and some political opposition leaders. In the case of the former group, letters were sent to state congress and to municipal government demanding that the accounts on how the HCB spent the resources be given by municipal government. The aim of this group was to accumulate information to show to the general public how the *panista* municipal administrations were duplicating efforts that could be simplified through other organisational structures such as the institute of municipal planning (IMPLAN). (*informal discussion with the Centro de Información Ambiental staff*).

By the end of 2004, in SLP, the installation of underground cabling to improve the street visual image and the maintenance of the water tube system and drainage, in the historic centre, generated local business bitterness; especially from those located on those streets who claimed that their sales were going to be affected (*interview: SLP_13*). Their perception was that the works done in order to improve the image were unnecessary as the infrastructure state of those streets was in good conditions, as they were last repaired in the mid 1990s. Some businesses thought that these works were a waste of time and money (*interview: SLP_17*). The shop-owners were informed in advance about the close down of those streets (due to repairs) however, the general public visiting the city centre was unaware of this close down. The HCCC knew about the project but it was not in charge of its coordination and thus uninterested in informing to the public. The state public works secretary was mainly responsible for coordinating the financial resources from the three levels of government however, it had a limited information strategy (observation and based on *interview SLP_4 bis*).

associations, since municipal government did not follow a procurement scheme which justified the HCB as the legal organisation in charge of regenerating the city.[71] The dependence of the HCCC and HCB on governmental resources emphasised the relevance of local governments as a partner. This is shown not

[71] The procurement scheme is based on the Acquisitions and Services of the Public Sector Law which states that all public agencies should bid for private services in an open and equally based procedure; choosing the organisation that offers the most efficient service in terms of price and quality.

only in government being the principal sponsor but also in the partnerships' behaviour in that they reported their accounts to government only. *(In either case I was not able to consult the finance books as they were considered as confidential information).*

In summary, the non-existence of a public and written code of conduct regulating this type of partnership showed the weak and limited vision that local politicians had when creating these partnerships. No public document stated the way in which they should operate and inform in relation to the public. Their creation acts stated how the partnerships should be formed, but without reference to an electoral process, operation or financial plan. Consequently, tacit codes of conduct prevailed, showing to the rest of society that these partnerships worked by blending public and private efforts, but in a secretive and elitist style.

7.3.3. The dominance of the INAH upon the partnerships' final decisions. The dominance of INAH was clearly observed in both cases. This was partly based on the concentration of technical knowledge that the institute had acquired since authoritarian times, monopolising as a consequence national conservation interests and skills (*interview*: *QR_2; SLP_18*). However, this concentration of knowledge became more political when it came to deciding how the budget was to be spent by the partnership (specifically in the case of Querétaro) and in sharing information between agencies representing different levels of government (*informal discussions held with INAH public officers and the HCBs' staff* – see Box 7.3). In addition, the role of INAH increased as it acted as the supervisor of governmental and nongovernmental organisations for respecting the Monuments and Sites Law.

The examples in Box 7.3 show how federal (i.e. INAH) and state agencies absorbed the job of municipal agencies when they proved to be knowledge-weak or disorganised (financially or logistically speaking). It seemed that, when municipal governments were not able to cope with historic-centre partnerships,

then an automatic response would come from a higher level of government. This can be interpreted not only as governmental agencies telling partnerships what to do, but also as federal government agencies becoming responsible for what municipal agencies are not able or willing to do. These examples illustrate the discussion in Section 4.3.2 on the *over-reactive* role of national government in guiding new organisations created at a subnational level.

Box 7.3. The INAH's dominance

In Querétaro, the municipal administration (2003-06) was not interested in financing the HCB. This change of support affected negatively the board's objective of elaborating a delivery plan which was called the 'methodological conservation and development plan'. The lack of financial support diverted the HCB's attention from the plan's formulation and instead the INAH and the state direction of monument and sites became responsible for carrying its elaboration out (*interviews*: QR_*1*, *QR_2*, *QR_4*). Later on, the HCB also encountered a lack of support from the INAH and the state direction when they decided to create their own geo-referenced information to elaborate the plan instead of using the one created by the HCB. The excuse for doing so was the lack of interest of both governmental agencies in buying information from the board (*informal discussion with the INAH conservation staff*). This type of reaction shows a lack of trust and reciprocity between organisations in the moment a partnership stops being supported by its initial patron (in this case municipal government).

In SLP, the INAH's dominance was observed throughout the dossier elaboration, where a close coordination existed between the HCCC's director and the INAH conservation officer. The INAH's contribution to the dossier created a short-term and instrumental coordination between these two organisations. Particularly, the agenda setting and the criteria on which to base conservation was defined by the federal agency. Furthermore, the INAH's influence was observed in convincing municipal government to expand the limits of the historic centre (in order to include residential neighbourhoods in the con servation project). (*interview*: *SLP_18*)

7.3.4. The dependence of partnerships on subnational governments. The HCCC and the HCB relied on subnational governments when they had to coordinate with other organisations and social groups to achieve success in their projects. A challenge that turned into a problem for both partnerships was the lack of response from other public and private organisations when they tried to coordinate efforts to attain specific projects. In the case of Querétaro, TV broadcasters, telephone companies and electricity suppliers failed to respond efficiently to the demands that the HCB made when trying to lay underground

cabling in one of the main streets of the city centre. This disadvantage, as mentioned above, was partly due to the HCB's lack of official status (*interviews QR_5)*. In SLP a similar situation arose when the HCCC asked the Municipal Department of Urban Planning to collaborate in updating the city centre's urban development plan (*interview*: *SLP_4*). Thus coordination problems were not only encountered with private organisations but also with public organisations.

Furthermore, the opportunity for partnerships to coordinate neighbourhood associations' efforts to improve the quality of life within the city centre was minimal in Querétaro and non-existent in SLP. This can partly be explained by the isolated participatory strategies that municipal governments promoted. It was, on several occasions, the lack of communication between municipal departments which obstructed the links between different citizen participation methods. For example, the negligible degree of communication between neighbourhood boards (promoted by the Municipal Directions of Participation) and the HCCC or HCB (related to the Municipal Urban Planning Units) was a case in point. The lack of interaction between different forms of participation illustrates local governments' low integrating capacity. Their low level of integrating capacity coincided with the corporatist nature of authoritarianism, which worked by creating various organisations without any linkage between them in order to maintain political control (Cornelius, 1996). These examples show the combination of old institutions with new ones, which underline the importance of temporal and spatial dynamics (Lowndes, 2001).

Finally, the dependence of these partnerships on government, as the responsible body, was also evident in dealing with social conflicts, such as the problems raised by street vending (i.e. image nuisance). As an active member of the HCCC stated about informal commerce "I do not believe this matter [street vending] concerns to the council, it is a social problem and thus is has to be solved by municipal government" (*interview SLP_15*, my translation).

Across the four similarities, it has been shown how different levels of government were needed to promote, manage and coordinate these regeneration partnerships. The examples provided in this section reveal that national government still plays an important role within partnerships: through the strong role of the INAH. However, decentralised policymaking can be observed insofar as local government becomes more responsible through promoting partnerships, social relations and regulations that maintain such forms of organisation. These examples illustrate the concept of governance understood as through the national-state-centric approach (see Section 4.3.2).

Conclusions

In the context of the decentralisation process that Mexico has experienced over the last twenty five years, this chapter focused on the collaboration between different levels of government and sectors in order to attain a desirable urban regeneration. The combination of multi level participation (international, national and local) and the cross sector working underline a tendency towards one of the trends denoting urban entrepreneurialism: *destatisation* of the political regime through governance mechanisms.

However, at the local level, the case study research revealed that the legacies of an authoritarian regime remained simultaneously alongside the introduction of governance as a collaborative form (particular sense). The characteristics of the old regime included a federal centralisation within the reconfiguration of the state, which led to an interventionist and protectionist state apparatus. For the cases of the HCCC and the HCB, the authoritarian legacies were described according to four similarities. Analysis showed that private initiatives were commonly overridden by political interests, which dovetailed with the interests held by the local private-sector elite. It was also clear that when lower levels of government were not able to show coordination, capacity or knowledge, federal agencies took the decisions – and to some extent these decisions converged with international recommendations (i.e. INAH following UNESCO's

recommendations). The analysis showed the continuous intervention of subnational governments in the social conflicts and problems the partnerships encountered, reflecting low responsibility on the part of some stakeholders involved in the partnership.

The persistence of a central role for government (at all levels) in the promotion of regeneration partnerships was clear. The two partnerships were identified as organisational forms that acted as enablers to promote local development and followed national and international organisational pressures. This chapter argued that the HCCC and the HCB helped to create urban entrepreneurship by tending to formalise hybrid collaboration between local government and the private sector.

The partnerships worked, to a certain extent, as an experimental mechanism to pool resources and as a reflection of a consensus between the different interests of local stakeholders. However, the pooling of financial resources mainly involved public intervention, whereas consensus among a wider set of actors was expressed in some cases by informal arrangements and, in other cases, was non-existent. These partnerships were an initial attempt at coordination between different levels of government and public-private sectors. They even combined market mechanisms (by creating the historic centre as a place for urban competitiveness to attract investment) with hierarchical mechanisms (by relying on different levels of government to attain political, social and financial stability to carry on with the partnership).

The HCCC and HCB sought to create in the city centre a niche of investment through tourism and the re-imaging of the area. This project can be seen as a device for surviving the dynamic of globalisation at local level. The strategy creating the city centre as a niche for investment led to *weak* urban entrepreneurship. The main interest of the partnerships focused on improving the appearance of the place, despite the existence of an inclusive and participative rhetoric. Operational barriers such as a lack of communication and

trust between different levels of government, and the reliance on tacit understandings between partners, emphasised the limited concern for explaining to the public the purpose of each partnership.

This chapter concludes that partnerships are a necessary, but not sufficient form of organisation to promote inclusion in a context of urban entrepreneurialism. The partnerships' role (under pressure from national and/or international declarations) is thus considered significant insofar as it helps to institutionalise (or legitimise) the discourse of collaboration between levels of government and between sectors. However, this type of collaboration tends to be exclusive. The exclusivity refers to the profile of a partnership's members, who tend to belong to the upper-middle class and have well-established relationships with local politicians. This class is based within academic or professional organisations, decentralised public agencies, NGOS, political parties or civil associations; all of which are interested in shaping the direction of local policies.

The empirical findings show the potential of governance for creating more plural structures (including stakeholder participation). But, just as new plural forms of organisation were promoted, new factors obstructing complete inclusion emerged. The dominance of certain partners over others, problems in accounting to the general public, and the rivalry between private stakeholders (as opposed to other forms of political participation) are examples of these obstructing factors. The following chapter compares the role of these partnerships with other forms of political participation.

Chapter 8 - Participation in the historic-centres: partnerships and other approaches

Introduction

This chapter explores the link between social mobilisation and the emergence of regulatory frameworks for participation within urban policies. The participation in public affairs of *Navistas*, the upper-middle class and popular-urban mobilisation, is considered as illustrative of the relationship between municipal government and contemporary local civil society (based on Diani, 2001; Foweraker; 1995).

The two historic-centre partnerships are compared with other organisational arrangements in which social participation is promoted by the local governments of SLP and Querétaro. These participation initiatives respond to fiscal decentralisation policies and to the democratisation process, and in particular, to the decentralised national planning system. This institutional framework encourages localities to promote their own economic development, at the same time taking political participation into account. This combination of processes of decentralisation and democratisation exemplifies the *denationalisation*-of-statehood trend that characterises entrepreneurial cities. The chapter also considers informal organisational arrangements between governmental stakeholders and citizens or members of social organisations to promote urban planning. Informal arrangements are understood here as those mechanisms with no official document or regulation supporting or guiding them, but that are publicly known and, to some extent, accepted by society.

The chapter categorises three approaches to participation: expert councils, neighbourhood boards and urban-popular negotiations. These approaches are categorised as official and contingent. The first section discusses the operation of the official expert councils or committees (i.e. historic-centre partnerships).

The second section analyses the neighbourhood participation boards, also classified as official. The third section discusses the negotiating sessions with popular-urban groups, in particular with street vendors which are categorised as contingent. Table 8.1 summarises the classification on approaches and categories of participation. Through this classification, it is argued that urban competitiveness in Querétaro and San Luis Potosí is supported through ideas of democracy and governance, formulated on a local, daily basis.

Table 8.1. The categorisation of participation forms

Categories	Official (based on regulatory framework or official documentation)	Contingent (informal arrangements to support official category)
Particpative approaches	- Expert councils or committees - Neighbourhood participation boards	- Urban-popular groups negotiations (street vendors)

8.1. 'Official' expert councils or committees

The expert councils or committees (ECs) are categorised as 'official'. I chose this latter term to refer to those participative approaches that respond to the legal frameworks, plans, and programmes established by national and local governments. In the case of the ECs, a legal framework referred to their existence but did not cover their operation in detail. Neighbourhood participation boards are also categorised under the term 'official', but they are discussed in Section 8.2. The national system of planning and participation did not establish different forms of participation. However, the implementation of these national guidelines prompted local governments to create expert councils or committees and neighbourhood participation boards.

The ECs were created in the 1990s to help state and municipal authorities to design, implement, and evaluate planning programmes, subject to local

governments' development interests.[72] The historic centre partnerships can be considered a type of EC. As the focus of the chapter is to locate these partnerships within the broader context of participation, this section focuses on the municipal ECs that had an impact in the historic-centre development in SLP and Querétaro. The ECs' functions related to urban development were broadly defined by the Urban Code of Querétaro State and by the Urban Development Law of SLP State.

The majority of these ECs were considered permanent bodies of civil (political) participation that aimed to advise municipal governments on human settlements and land-use planning within the main 'population centres'. In general, EC members served for the same administrative period as any municipal government, and when a new administration took office, the members changed subject to the new municipal president's invitation. However, there were some exceptions independent of political administrative periods, including the historic-centre regeneration partnerships. Representatives from professional and academic organisations, business associations, worker unions and sometimes other popular associations with a strong representation in the municipality, were generally invited to the ECs.

An example, different from the historic-centre partnerships, were the urban development ECs. They can be seen as municipal partnerships due to the existence of a coalition of interests drawn from the public and the private sectors in order to prepare and oversee an agreed strategy regarding land use. According to the Urban Development Law of SLP State, the urban development EC in each municipality had to submit agreements made to their respective municipal congress for approval. This congress had the capacity to reject the agreement in a partial or total way. But, once the points in the agreement were approved they had to be respected in order to, for example, protect ecological zones or promote industrial infrastructure. A similar process was followed in

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[72] The policy development arenas commonly found were: health, education, environment, urban development, public safety, administrative accountability and transparency.

Querétaro after this type of EC agreed on an urban development municipal plan (CUEQ, 1992). These processes show that agreement and collaboration existed, at least for setting the urban political agenda.

However, in the municipality of SLP the last time the urban development EC was formed was during the period 1997-2000 (based on *interview SLP_3*); afterwards the municipality seemed to depend on the decisions taken by the corresponding state level EC (also formed of the representatives of professional, academic, business and other social organisations). The case of SLP exemplifies the relaxed political environment for updating the municipal EC to higher levels of regulation. Even though this was not observed in the case of Querétaro, the freedom that the municipal president had in choosing the council members revealed their flexible operation (RSCMPS_Qro, 1998: art. 14, frac II). Additionally, the lack of internal guidelines on how ECs in both SLP and Querétaro worked and on how decisions were taken, accentuate the level of informality in which this type of method has developed since the 1990s.

In Querétaro, another example of ECs was the 'thematic councils' which formed part of the broader System of Social Participation Councils (see Figure 8.1). In the case of SLP the 'municipal auxiliary organisms' aimed to carry out tasks that benefited the general public. Inter-municipal bodies, trusts and partnerships were considered as auxiliary bodies (RIFOAM_SLP,1998). The auxiliary organisms complemented the structure formed by the Citizen Organisms (CO) (see Figure 8.2).

In particular, the Historic Centre Consultative Council in SLP and the Historic Centre Board in Querétaro (Chapter 7) had a more formal structure than other urban development ECs, but similar to the thematic councils in Querétaro or other auxiliary organisms in SLP. The higher level of formality was based on a legal framework justifying their existence, as well as on an internal regulation establishing the organisation's aims, projects, and administrative operations (including their increased autonomy from political administration periods). The

historic-centre partnerships show a tendency towards municipal decentralisation and governance between different tiers of government and between the public and the private sectors.

The fieldwork identified three general factors that promoted the ECs' level of formality:

- decentralisation at the municipal level that strengthened urban planning and acted as a counterweight to the figure of the municipal president (as an interviewee stated 'to make of the city mayor an administrator of ideas' – *interview*: *QR_19*);
- continuation of urban development and planning policies between political administrations;
- organisational structures that involved political participation.

The advantage of having citizens participating in the ECs was that they continued being citizens, interested in improving and developing the municipality (independent from the political party interests or political administrative periods to which a politician might be subject to). This advantage supports the participation of long lasting and prestigious organisations in the localities such as universities, professional associations, and business groups which showed, in the past, their interest in getting involved in public affairs. Box 8.1 provides some examples.

Box 8.1. Why did civil organisation representatives participate in the ECs?

The background that the Autonomous University of SLP had in criticising an authoritarian and corrupt regime (during *Navismo* in the late 1950s), in addition to the prestige of being a centre where technical knowledge was concentrated, were factors that could explain why university representatives were invited to form of the ECs in SLP, this includes the HCCC

The participation of the COPARMEX and CANACO, in the early 1990s, in pro-democracy mobilisation at the national and local levels was a factor that could have prompted their members to participate in the ECs and increase their political participation in other matters. Appendix 1 details the case of various mayors in SLP and Querétaro.

Nevertheless one of the limitations of ECs was their membership profile, consisting of citizens with academic or technical knowledge (based on RSCMPS, 1998). These people could be considered privileged as they represented the middle and upper-middle classes. This factor reveals that the promotion of ECs can tend to be more plural (as various organisations are invited), but selective insofar as a citizen had to fulfil the municipal government's expectations.

Expert and technical knowledge was needed in the EC meetings as urban planning, architectural restoration, education methods, pollution levels, and the extinction of species were apparently discussed (*interview QRO_6 and informal discussion with a member of the Centro de Información Ambiental*). A politician in Querétaro stated that technical knowledge was needed as the citizens' daily experience was not sufficient for the task; instead agreements should be based on 'hard data' analysis (*interview QRO_16 bis*). From this rationale, it can be argued that a risk of some citizens participating in the hard data elaboration is that of creating a distance between those with higher education and ordinary (and probably uneducated and marginalised) citizens.

Another limitation of the ECs was their lack of coordination with other forms of participation, for instance between the HCCC or the HCB and the neighbourhood boards in the city centre. The lack of coordination was partly due to a weak municipal capacity in creating the necessary infrastructure for political participative approaches to interact. But another reason related to the differences in interests between the citizens participating in historic-centre regeneration partnerships and the citizens in the neighbourhood boards. It seemed that upper-middle class citizens were motivated to participate beyond the provision of basic urban services (drainage, sewerage, and road pavement) such as urban re-imaging. In contrast, low-income families focused on the attainment of urban services which in some cases contradicted the regeneration projects. For example, a lower-middle neighbourhood in the city centre of SLP wanted the streets asphalted rather than cobbled as the former style was more

resistant to holes. But the HCCC preferred cobbled streets to maintain the character of the city centre (*based on interviews SLP_14*).

Another example of the lack of coordination among forms of participation was found in the Regulation of Municipal Councils of Social Participation in Querétaro. The regulation stated that the thematic councils should advise the neighbourhood boards on the feasibility of a project. However, in practice the support that these councils could offer to the boards did not exist due to the aims and operative restrictions imposed by regulation (see Box 8.2).

Box 8.2. Thematic councils and neighbourhood participation boards in Querétaro

According to the Regulation of Municipal Councils of Social Participation, thematic councils should advise the neighbourhood participation boards on the feasibility of a project. When a project referred to urban development, the thematic council on urban development was the one held responsible. However, this council was not able to give advice to the neighbourhood board. The Local regulation was specific only on the delivering and executing of urban minor works (i.e. street pavement, sewerage cleaning, road asphalting) rather than more general service improvement where thematic councils could have a say (*interview QR_11*). This obstacle emanated from municipal government's reliance on federal government regulation (related to Branch 33 funds) which earmarked the resources for public works rather than for service improvement mechanisms (i.e. giving advice on the feasibility of a project).

In sum, a participative segregation appeared to develop in SLP and Querétaro; first, because of the mechanisms derived from national and local regulatory frameworks and the government's lack of capacity-building; and second, because of differences in interests among citizens. The following section develops this argument further.

8.2. 'Official' neighbourhood participation boards

These neighbourhood boards emanate from federal decentralisation projects and institutions, such as the COPLADEs and the COPLADEMs, established to

coordinate the planning efforts between the three levels of government.[73] Although the ECs also emanated form the decentralised planning system, the neighbourhood participation boards were covered by more explicit regulations than the former.

The system of participation in Querétaro was named the System of Social Participation Councils (SSPC), while in SLP it was known as the System of Participation (SP). These systems of participation had an impact across the whole municipality; however, the analysis in this section is based on those neighbourhoods located in the city centre area.

Although these municipal systems were designed to incorporate their own local forms of participation, they mainly relied on the decentralising policies that federal government has promoted since the 1990s. Thus, the SSPC and the SP became the umbrella systems through which the COPLADEMs planned, among other topics, urban policies. Consequently, a close relationship existed between the Social Development Agreement, the Fiscal Coordination Law (specifically the FAISM and FAFM in Branch 33) and complementary local regulations (see Appendix 3).

Despite the fact that the SSPC and the SP promoted citizen participation beyond the neighbourhood level, the neighbourhood was the main unit upon which the systems were based. In the next subsections that follow this point will be developed, alongside the consideration of participative segregation identified between historic-centre partnerships and the neighbourhood boards (especially those within the city centre).

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[73] The COPLADE was generally headed by the state governor. Other members were representatives of state and federal secretariats, municipal presidents (which head the COPLADEM in their municipality), and representatives from the private sector (which could have been the same as those participating in the COPLADEM). In the case of Querétaro the COPLADEM was represented by the 'consultative council' and in SLP by the Municipal Social Development Council.

8.2.1. The System of Social Participation Councils in Querétaro. This system was designed during the municipal administration 1994-1997. The introduction of this system divided the municipality into seven micro-regions called 'delegations'. The 1994 regulation, however, had an ambiguous operating structure which did not detail the process of decision making (SMPS_QRO, 1994, *interview QRO_14*). In 1998, the regulation of the social participation system was reformed by Mayor Garrido (1997-2000). In this version the operation and coordination of the system was more detailed (RSCMPS, 1998). New classifications were introduced specifying the tasks to be assigned to each council forming the system. Within this reform, the municipality remained divided into 7 delegations, and during the 2000-03 administration the delegations were subdivided into approximately 40 regions and 400 neighbourhood committees (*interview QRO_5*).

This reform classified four types of participation councils, structured in a hierarchical way, as shown in Figure 8.1:

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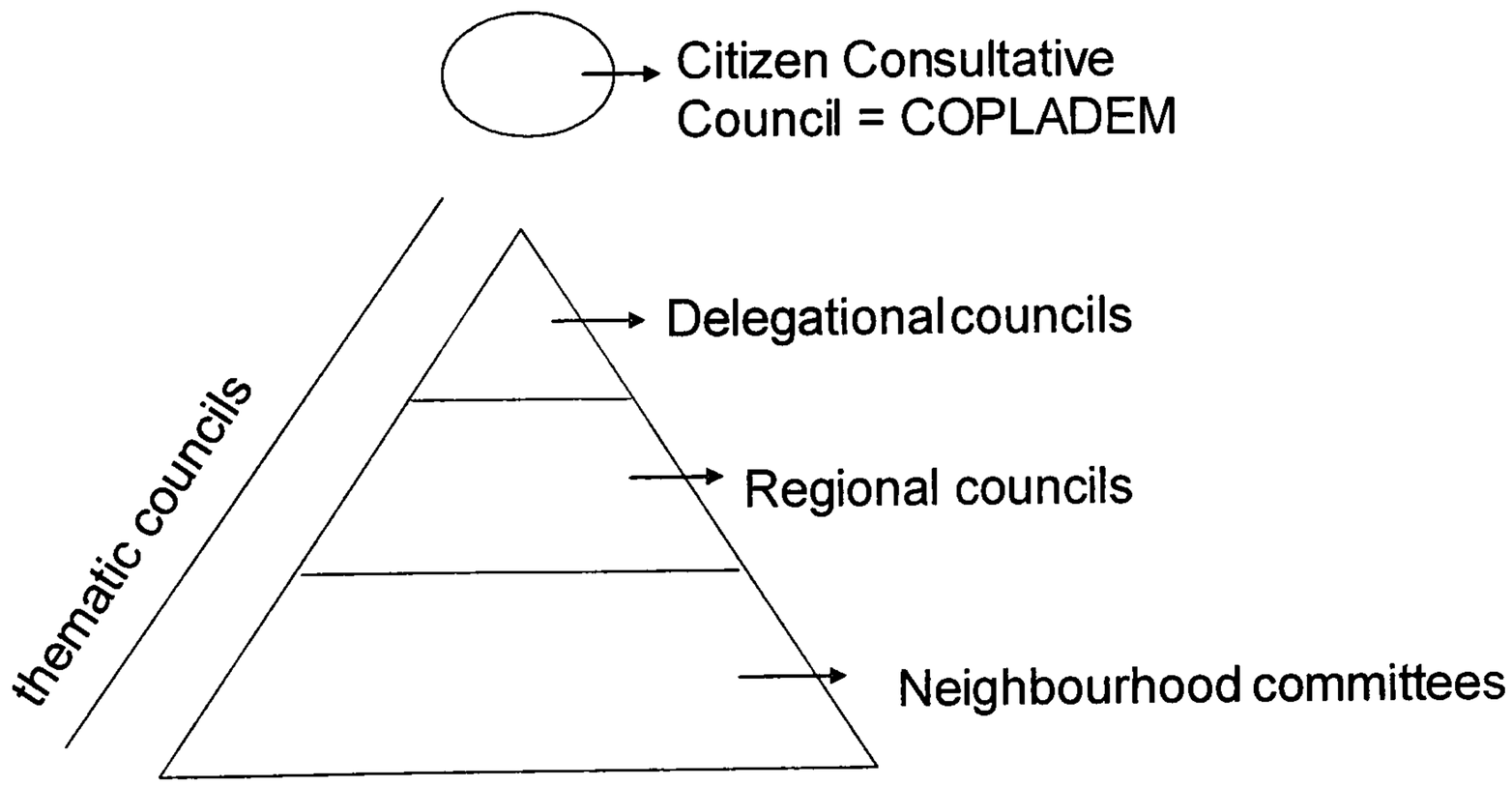
Figure 8.1. System of Social Participation Councils in the Municipality of Querétaro



Source: Manual de Consejos de Participación Social 2000-03

The 'neighbourhood committees' were formed by residents of the same neighbourhood. Each committee had a board formed by a president, secretary, and treasurer. These posts were democratically elected by their residents. These committees were either prompted by municipal government or were autonomously formed.[74] The 'regional councils' were formed by neighbourhood-committee presidents within the same zone (these zones were officially termed as 'regions'). Each delegation was subdivided into regions; in the case of the Historic Centre Delegation, encompassing both the historic centre and the surrounding neighbourhoods, it was subdivided into 5 regions and had 97 neighbourhood committees (RPPCH, 2000).

According to the SSPC regulation the decision making process was as follows. Each neighbourhood committee had to prioritise its needs in relation to the provision of minor urban works delivered by municipal government. During the regional councils each neighbourhood president presented his/her neighbourhood priorities. From the total of priorities listed by each neighbourhood president, the whole council voted for the five most important or urgent works that the region needed. The criteria to prioritise needs were based on the poorest and marginalised neighbourhoods (*informal discussion with a member of staff of the Municipal Social Development Secretariat*). A representative from the Social Participation Secretariat was responsible for chairing these meetings. A representative of the municipal congress also attended the meetings as a way of linking the priorities taken by the communities with the decisions taken by the congress subject to the municipality's budget and plans.[75]

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[74] When promoted by government it meant that citizens were asked to create a committee representing the neighbourhood by electing the members of the board (discussion *with staff at the Municipal Social Development Secretariat*). Many of the autonomously formed committees were legally constituted and registered as civil associations several years before the reform was introduced (approximately 5 to 10 years – *interviews: QRO_6, QRO_11, QRO_13*).

[75] However, the attendance of some of members from the municipal congress started to be more frequent during the 2003-06 administration (*observation during Regional Meeting 3/08/2004, supported by interview QRO_14*)

Once prioritised, the five needs of each region in a delegation were then discussed by the 'delegational council'. The delegational council was formed by municipal government representatives,[76] neighbourhood presidents elected by their regional council, and a citizen (also participating in the neighbourhood committees) who was in charge of monitoring the discussions' transparency. In the delegational meetings, the audience was informed of final decisions (based on technical and budget restrictions). However, the audience did not take a direct decision upon the delegation's needs. The final decisions were taken by a 'citizen consultative council' formed by municipal government representatives (some of whom were in the delegational council), seven persons invited by the municipal president and seven citizens from the thematic councils (or ECs) (RSCMPS, 1998).[77]

According to the Regulation of the System of Social Participation Municipal Councils (RSCMPS, 1998: Art. 21), the thematic councils (represented by citizens with academic and professional expertise on a specific topic) had to advise to the whole system of participation. However, thematic councils offered advice to the delegational meetings and, if appointed by the mayor, to the consultative council meetings too. The thematic councils did not provide support at the regional level because the regional meetings in the Historic Centre Delegation were not fully implemented by 2003. Specifically, some residents and staff from the Social Participation Secretariat believed that the lack of compromise from the historic centre delegate, during the García administration,

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[76] The municipal government officers were the Delegate, an attorney inspector, and a representative of the Social Participation Secretariat.

[77] The consultative council was the equivalent to the COPLADEM. It was formed by the municipal president, members of the municipal congress, representatives from state government agencies, and members of the private sector such as professional and business groups and representatives of neighbourhood associations. The governmental representatives were the mayor, representatives from the Municipal Secretariats of Social Participation and the attorney office, the seven delegates appointed by the municipal president, and a municipal congress representative.

constituted the principal obstruction to implementation of the system in the area (*interview QRO_6 and informal discussion with member of staff of the Municipal Social Development Secretariat*).[78]

A second reason why thematic councils did not participate in the neighbourhood committees and regional councils was due to the limitations imposed by the regulation (see Box 8.2). A third reason is linked to a particularity: on several occasions I observed that the members of the thematic councils were also members of the neighbourhood boards. This dual membership provided an informal but direct way of knowing what was happening between the two levels of participation because the same people were involved in the two tiers of participation (*observation health thematic council 15/07/2004 and supported by interview QRO_6*). Many of these people with a dual function lived in middle class neighbourhoods such as *Carretas, Jardínes de Querétaro, and Niños Heroes*. Not surprisingly, they were also worried about the conservation of the historic centre (*interview QRO_6, informal discussion with a member of the Centro de Información Ambiental).* This observation hence raises issues about exclusion within this segmented system of participation.

From my fieldwork it was not evident how the decision making process within the citizen consultative council worked. It was not clear who formed that council, how often it met, and even less how decisions were taken. It seemed that the

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[78] In this delegation regional councils started to operate in mid 2004. By the time the fieldwork was carried out, I observed first, that several neighbourhood presidents representing a region did not argue in favour of the region but in favour of their neighbourhood. Second, during the regional meetings they encountered problems on how to prioritise needs; for example, to prioritise the need for pluvial drainage (which was crucial during rainy seasons) in one neighbourhood over the need for street lighting in another which had been asking for the service for 20 years (*interviews QRO_11, QRO-13*).

consultative council was a 'black box' which made decisions that had to be implemented.[79]

What was decided by the consultative council was published in bulletins referred to as the Operative Annual Programme Reports. In these bulletins the amount of money allocated by federal government (Branch 33 funds) to the municipality was published, as well as how the money was spent on minor public works. They specified what works were done in each delegation and the neighbourhoods and number of residents who benefited. However, they did not describe the process of prioritisation. In other words, there was no registration of all the priorities listed from the neighbourhood committees passing through the regional and delegational councils, meaning that the criteria used by the citizen consultative council to take the final decisions were not publicly known.

Based on Figure 8.1, it can be argued that the decision making carried out by the neighbourhood system represented three quarters of the process, whereas a quarter was ambiguously decided by the consultative council. The neighbourhood board helped municipal government to set the agenda on how the budget was going to be spent, while the consultative council had the final say. It cannot be denied that the neighbourhood boards had a level of participation in the policymaking of the municipality's minor urban works. However, it should not be forgotten that some agents had better opportunities to participate, as during the 'black box' process.[80]

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[79] Unfortunately, there were no archived reports or documents found where this process could have been explained. Instead I could have interviewed the officers in charge during the administration 2000-03, however, further time was needed to have been able to trace them.

[80] For example, the system's regulation established that some thematic councillors were able to participate in the black box process; however I found evidence where thematic councillors argued that authorities undermined their decision during the delegational meetings (*minute 28/08/2002 in DPSV, 2000-03*).

Despite the SSPC being carefully regulated, especially in relation to neighbourhood participation, some flexibility was shown in relation to both the influence that thematic councils had upon the consultative council decisions and the consultative council's own mechanisms for decision making. The different bodies of participation within the SSPC, and the top discretionary mechanisms, support the argument on how old and new institutions can be identified within the reconfiguration of the state at the local level. On the one hand, the creation of additional bodies that promoted political participation is observed through the SSPC. On the other hand, the prevalence of an old version of centralised decision making from a nucleus (i.e. consultative council) is observed. Specifically, the informal arrangements achieved by the consultative council without being explicitly informed to the public undermine accountability, similar to the old regime's fashion. Thus it is observed how more participatory democratic mechanisms tended to be implemented, while at the same time, that outmoded mechanisms of decision making used by the top council prevail.

The awareness of unequal decision making was observed through Mayor García's actions, which supported the creation of the Historic Centre Board, as well as of the Institute of Municipal Planning (IMPLAN) and the Queretan Environment Trust (FIQMA). These ECs aimed to undermine the local elite informal arrangements by formalising citizen participation within urban planning decisions. However, three aspects limited the full achievement of the aim. The first aspect concerned participation being dominated by citizens with higher education, generally concentrated in the middle class (*interviews QR_9, QRO_20*). The second aspect was the lack of coordination between HCB, IMPLAN and FIQMA and between these last three and the neighbourhood boards in the SSPC.[81] The third aspect concerns the freedom that a new municipal president had to ignore what the citizens in these organisational

[81] I observed that some attempts to link all these forms of participation existed. However, they were at a very initial stage. The HCB and IMPLAN organised presentations within the SSPC meetings to publicise their aims and to invite people to participate in their open workshops (*DPSV, 2000-03 and observation in delegational meeting 29/07/2004*).

structures wanted. An example of this was observed during the Rivera administration (2003-06) through the lack of financial support to the HCB and Mayor Rivera's absence in the IMPLAN meetings (where expert citizens had a say – *interview QR_9*). Finally, the lack of open discontent among citizens when government undermined their viewpoints, revealed a degree of exclusion.[82]

The analysis of the SSPC and the ECs in Querétaro shows how the inequality in policy decision making (based on resources, skills and organisation) is reflected in the types of participative approach promoted by government (official category), which tend to form a segregated system of participation.

8.2.2. System of Participation in San Luis Potosí. The SP was formed by two bodies: 'citizen organisms' and 'auxiliary organisms' (or ECs). Citizen organisms (COs) aimed to complement ECs, under which boards and partnerships between the public and private sectors were classified. I believe that the complementary role established by the municipal regulatory framework did not state clear links for articulating auxiliary and citizen bodies. As a result, a distant relationship was observed between the COs and ECs such as the Historic Centre Consultative Council (see Figure 8.2).

Some precedents promoting public–private partnerships were the 1958 state law that established neighbourhood improvement boards (NIBs) to help local authorities with the execution of projects, and the 1966 State Law of Service and Works Boards that preceded the 1998 Municipal Regulation on Auxiliary Organisms. Nevertheless, it was not until the mid 1980s that political participation began to feature in the planning process. This was further reinforced by the State Planning Law (2001) and the state and municipal development plans during the 1990s. The precedents of the private and social sectors participating with government provided a basis for old organisational structures to address modern needs in order to comply with the federal

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[82] However for several officials, the passive participation from the majority of citizens was due to their lack of interest in intervening in public affairs (*interviews: QRO_16, QRO_13*).

decentralisation process. For example, the NIBs 1958 Law was useful for the pro-*Navista* administration to publish the 1990 NIBs regulation at the municipal level. Afterwards, in the 1997-2000 administration, this regulation was updated following the COPLADEM requirements.[83]

Figure 8.2 depicts the citizen organisms and the auxiliary organisms working as parallel but separate structures. In particular, the COs were formed of NIBs and the Municipal Council of Social Development (CMDS). The set of 'other organisms' refers to the future creation of other citizen organisms (based on RIOPC, 1997). Even though the CMDS existed as an independent body from the NIBs, the neighbourhood remained as the main unit on which the whole system of CO was based.

The urban area of SLP was divided into 7 zones. The division was based upon the chronological urban growth that the city had encountered rather than on an administrative basis as in the case of Querétaro. Each zone was divided into subzones and each subzone contained between 8-10 neighbourhoods. Zone 1 or the central zone encompassed the historic centre area which was divided into 10 subzones and 154 neighbourhoods (CPU_doc1). Specifically the historic centre comprised seven neighbourhoods.

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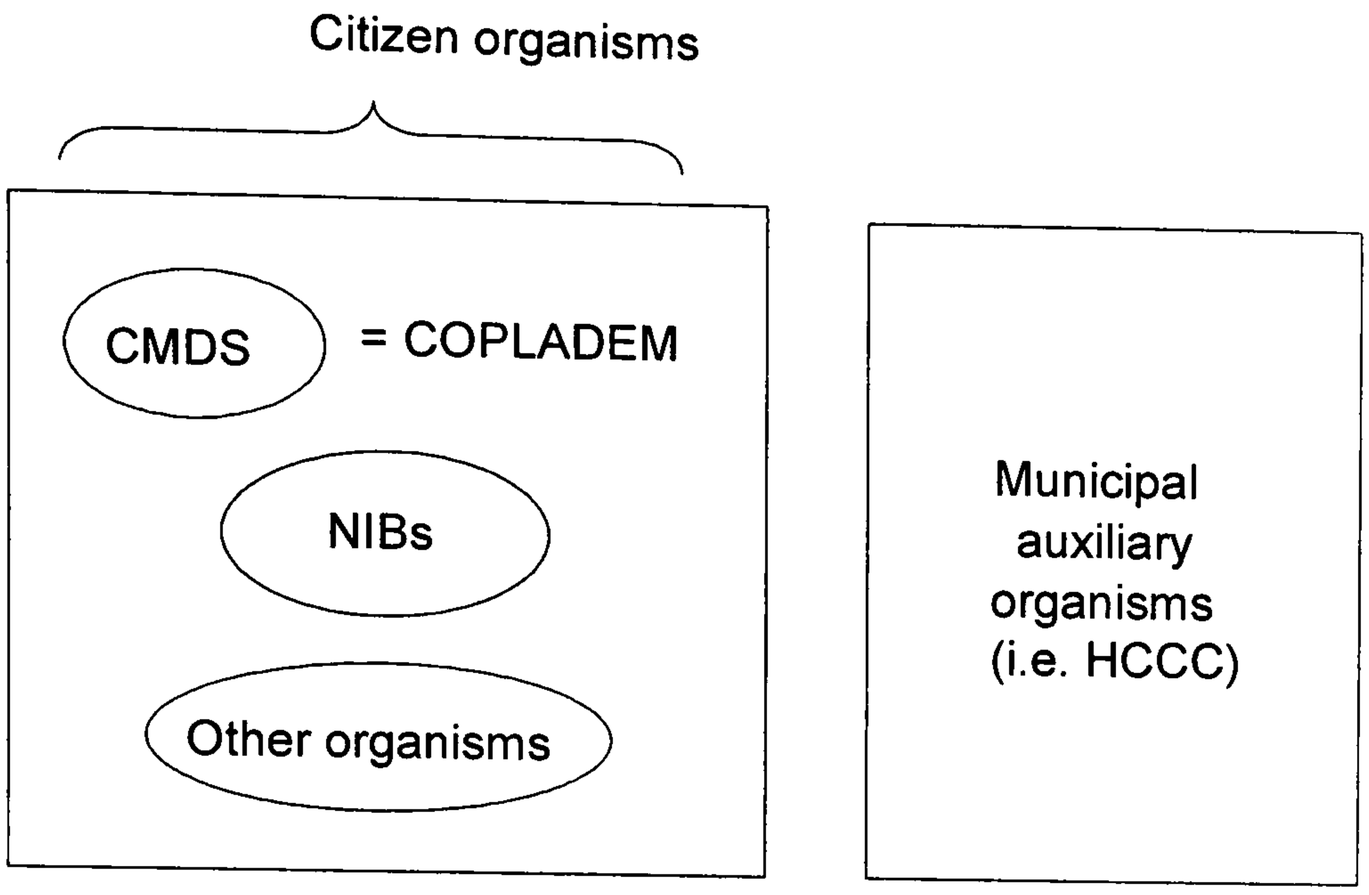
[83] The Administration Law of Transferred Allocations to the State and Municipalities of San Luis Potosí established how the COPLADEM is linked to the federal allocation system established by the Agreement of Social Development and the Branch 33 of the Fiscal Coordination Law.

Figure 8.2. System of Participation in the Municipality of SLP



Source: Author's interpretation

The influence that the NIBs had in relation to policymaking referred to minor urban works only. Based on this, I observed that the decision process worked as follows: Each neighbourhood had to democratically elect a board formed by a president, secretary and treasurer. The board's working period lasted only as long as the municipal administrative period, so when a new government came into office elections would be carried out in each neighbourhood (a second re-election was possible but as a maximum – RIOFAM, 1998). Each neighbourhood prioritised the needs of the community and then the board presented its petitions to the Direction of Citizen Participation (DCP).

The DCP then channelled the neighbourhoods' demands to the respective municipal department.[84] These departments were in charge of deciding whether a demand was technically and financially feasible. Alternatively, the NIBs could have stated their demands through the Citizen Wednesdays Programme, the

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[84] For example if a neighbourhood needed its streets to be paved then the demand would be channelled to the Public Works Direction and so on. The demands however could regard other petitions apart from minor works and still they would be channelled to the correspondent department. In that case, the demand would be sponsored from the municipal budget rather than from the resources of Branch 33.

Municipal Coordination of Citizen Attention (just opposition groups), or through personal relationships with political parties, politicians (mayor, municipal congress-people, deputies), or philanthropic NGOs (*based on interviews SLP_14, SLP_20*).[85]

Simultaneously, the DCP invited all neighbourhood boards to participate in general elections to vote for a subzone representative, who gained a seat on the CMDS. Each of these representatives was informed by the DCP about the demands that the neighbourhoods in the subzone made. Consequently, the representative monitored that these demands were discussed in the council's meetings. The members forming this council were the subzone representatives and four public officers.[86] Each member had the right to vote and the municipal president had also the power of veto (RI, 2002).

The CMDS had to decide on the urban infrastructure projects proposed by the NIBs, by the municipal president or by either of his cabinet members. This range of proposals meant that the decisions taken by the council did not only cover the minor public works demanded by the NIBs but also major works such as road communication networks (which had started to be seen since the end of the 1990s – *interview SLP_3* and CPU_doc2). The decisions made were subject to the amount of resources allocated by the two municipal funds in Branch 33.[87] In the case of minor works, when they benefited a neighbourhood

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[85] The Citizen Wednesdays Programme allowed citizens to enquire or complain of any municipal service in a direct way with any public officer, including the mayor. This programme was run every fortnight. Querétaro also had the same programme but it ran weekly in all seven delegations.

[86] The number of subzone representatives varied according to the municipal administration in charge. Between 1997-2003 the average number of citizen representatives was 70, but in 2003-06 this number was 42 (ACDSM_2000-04; *interview SLPR_2*). The public officers were the municipal president, the director of citizen participation, and two members of the municipal congress (RI, 2002).

[87] These two funds are the same as in Querétaro: Infrastructure Municipal Fund and Municipal Enhancement Fund.

area, the residents who benefited most directly had to cooperate with a 5-30% of the total cost. [88]

By comparing the processes of decision making between the cases of Querétaro and SLP, I observed that in the latter the process was clearer and less hierarchical. The clarity of the process was observed through the COs' regulations and the CMDS internal regulation. Additionally, the open invitation that the CMDS made to external observers offered a more comprehensive understanding of the decision-making process. To put it another way, no 'black box' was found in this process.

It was less hierarchical as the system of citizen participation did not involve the number of filters (different types of councils) that Querétaro presented. Also, the system seemed more inclusive with the possibility of an ordinary citizen (with primary education only) becoming part of the CMDS. Furthermore, the opportunity that citizen councillors had for voting on aspects of major public works (i.e. bridges connecting motorways) involved them more in the municipality's urban transformation process (based on *interview SLP_10*).

I perceived that one of the reasons that the SLP citizen inclusion in the decision making process was more open and accountable was due to the legacies of *Navismo* (see Section 6.8 and Appendix 1). This mobilisation aimed for accountability (especially on the use of public monies scrutinised by citizens) and the importance of the neighbourhood as the organisational nucleus of the municipality's development. Additionally, the enforcement given to the operation and coordination of the CMDS by the administration of Mayor Zapata (a *Navista*) in 1997 could also be considered as an enabling factor.

However, some aspects were observed that undermined the participation of citizens in this council. First, it is worth mentioning that Mr. Zapata's strategy for

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[88] In theory, the percentage varied based on a progressive criterion of neighbourhood income (GBS, 2000-03).

enhancing the CMDS's operation coincided with the first round of federal allocations distributed to municipal governments (*interview: SLP_2*). These allocations required a degree of social participation to help decide on how the resources were going to be spent. This point underlines the influence of federal policies in promoting participation. Second, during the administration 2000-03, Mayor Marcelo de los Santos demonstrated particular special interest in citizen-councillors deciding on major urban works. According to one of these councillors the opinion of citizens was genuinely taken into account by Mayor de los Santos (i*nterview QRO_10*). Nevertheless it is perhaps possible that Mr. de los Santos encouraged the citizen's opinions due to his interest in becoming state governor in the 2003 elections, which he in fact achieved. This point underlines how a politician's interests can help to promote a culture of participation.

Third, in each new administration the municipal president, supported by the municipal congress, was able to determine the number of citizen councillors in the MCSD. This implied that the number of subzones was modified depending on the number of citizen councillors. What I observed was that a tendency prevailed to reduce the number of citizen councillors representing, as a result, enlarged (surface) subzones (see footnote 85). With a smaller number of citizen councillors it was easier to take decisions in the CMDS meetings. Moreover, each new municipal administration could also determine the percentage of resources, from the two funds in Branch 33, on which the CMDS decided. These two aspects illustrate how the rules of the game could be established according to the government's interests. [89]

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[89] During the administration of 2003-06 the CMDS was able to decide upon the fund of municipal enhancement only. The council stopped having power of decision over the fund of municipal infrastructure, which had a bigger bid. The justification for this change was an ambiguous interpretation between the Fiscal Coordination Law and the State Law of Federal Allocations for the State and the Municipalities of SLP. It was believed that this decision was taken to guarantee that those resources were used for the construction of road networks, considered as a key policy to modernise the city. (*interview SLP_12* and *El Heraldo de San Luis,* 5/05/2005)

Fourth, the training that citizen-councillors had to enable them to understand the objectives and operations of the CMDS was not appropriate. I observed that to take decisions on the execution of projects, knowledge of public accountancy was required. In 2004, the training course on the operation of the Branch 33 funds started when the seventh session of the council was already carried out and some decisions had already been made (*observation during the CMDS 10th ordinary meeting, 28/10/2004, supported by discussion with the Director of Citizen Participation*). There was an opportunity for former citizen councillors (who had accumulated knowledge and skills during the previous administrations) to teach newcomers. However, this option was not considered by the DCP (*interview SLP_10*). So without proper training (at the appropriate time) and with no possible contact with former councillors, the new councillors arrived at the CMDS sessions without having a clear idea what their participation actually involved.[90]

Furthermore, citizen-councillors and the NIBs, according to regulation, had to inspect and evaluate the public works done based on quality measures. This implied that citizens possessed technical skills related to engineering or architecture which would enable them to evaluate whether a construction was built appropriately. However, this type of training was not provided by DPC or any other municipal office, leaving citizens to evaluate works based on their personal experience (based on *interview SLP_10*).

Finally, the lack of articulation between the system of citizen bodies (NIBs and CMDS) and the auxiliary organisms (i.e. HCCC) obstructed the achievements of common objectives. For example, the lack of networking between these forms of participation was observed through the HCCC staff, who were conscious of

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[90] It could have been the case that the councillors with no higher education were in a more disadvantaged position than those that had it. For example, one subzone representative was an accountant and had more understanding of how the MCDS decisions worked (based on *interview SLP_16*).

the need to improve street asphalting and housing (also listed within the NIBs demands – *interview* SLP_14) but who remained passive in coordinating efforts with the DCP or the CMDS. The perception of a lack of articulation between the historic-centre partnership and the neighbourhood boards is based on the fact that the HCCC, after four years of existence, focused only on obtaining the world heritage nomination, without creating an organisational infrastructure to promote the inclusion of the historic centre NIBs in the partnership's activities. The narrow aims of the HCCC can be part of the reason why the NIBs and the partnership were so distant organisationally speaking. This lack of collaboration and networking accentuated, from my point of view, the segregation between the COs (participation of ordinary citizens) and the auxiliary organisms or ECs (participation of highly educated citizens). Box 8.3 exemplifies this argument.

Box 8.3. The participation of the middle class within the COs

According to a public officer who worked in the Direction of Citizen Participation (during 1997-2003), the middle class neighbourhoods were not interested in participating in the COs. In some cases it was observed that upper-middle boards participated in the system because residents aimed to attack a particular nuisance (i.e. a bar establishment in a residential area). That was the case of Zone 2 were 12 neighbourhood boards were formed and only one represented an upper-middle neighbourhood (*Lomas*), the rest were from the *Garita* a low income neighbourhood. Zones 3, 4 and 5 showed a concentration of the boards in the system because they were inhabited by members of the working class and immigrants (from rural areas and other cities). Zone 1 -or city centre - was also under-represented because of its more commercial profile and the abandonment of its neighbourhoods by middle income families (based on *interview SLP_12*). Nevertheless, there were cases where middle class neighbourhoods in Zone 1 participated, such as *Himno Nacional*. This board started to participate in 2000 as before that date their residents were unaware of the system (*interview SLP_16*).

In summary, the *official* category encompassing ECs and the neighbourhood participation boards revealed that these two forms of participation worked as a mechanism to involve different levels of participation in urban policy decisions. As a result, a two-tier participation system was observed, as the ECs represented more highly educated citizens while neighbourhood boards tended to represent citizens with only basic education. Because of the skills and knowledge that the former citizens had, they had a better opportunity to influence policy decisions, especially regarding planning. In contrast, ordinary

citizens participated more in expressing their experience to help set the criteria on how the funds of Branch 33 had to be spent.

It was argued that the SLP's experience with *Navismo* built a more open and transparent system compared with Querétaro. However, in both municipalities informal arrangements or flexibilities undermined ordinary citizen interests, although regulations sought to overcome this problem. This was observed by the freedom that municipal presidents had in changing the rules on what citizens could decide (i.e. any change in the number of citizen councillors on the CMDS) and in their ability to undermine the citizens' participation by ignoring the meetings in which officers and citizens had a say (as in the lack of support for the HCB's projects during the first year of the Rivera administration and the shallow training that citizen councillors had for the CMDS meetings). It was this flexibility, and the presence of special arrangements, which limited participation despite an inclusive rhetoric. The following section illustrates how informal arrangements can also be created with a different type of citizen; this is based on the third participative approach (see Table 8.1).

8.3. Urban-popular group negotiations

Urban-popular group negotiations are encompassed by the contingent category. This category is different to the official type, as the negotiating mechanisms did not become part of the official organisational structure. In contrast to the ECs or neighbourhood participation boards, the urban-popular group negotiations were a form of political participation which did not undergo regulation or possess any written document about their formation or operation (at least none publicly known), nor any specific mechanism of continuity between administrations.

Instead participation, under the contingent category, worked as a tool for sorting out problems that the administration in office encountered in achieving specific goals. The contingent nature depended to a certain point on the willingness of the municipal president and the abilities of his cabinet to create temporary

organisational structures to cope with expected but imprecise reactions from those opposing groups.[91] To bring the account to life, this section focuses on street vendor organisations (a type of opposing group) in the city centres of Querétaro and SLP.

8.3.1. The case of street vendors in Querétaro. This case became well known among neighbouring municipalities, especially among those governed by the PAN. The innovation of this case lay in the negotiations achieved between government and street vendor groups (Pardo, 2002). These negotiations emerged during the Garrido administration which aimed to relocate, order, and standardize the street stalls throughout the city centre (PDM 1997-2000). By the time the Historic Centre Board was founded the regeneration projects were more easily carried out, partly because the strongest problems with street vendors in the area were overcome by 2001.

During the Garrido administration, there was a sub-programme called *Encuentros* (1998-2000) which aimed to seat at the same table business-people, street vendor leaders, and municipal government (as chair) in order to create solutions that led to a win-win situation for all commercial activities developed in the city centre. Encuentros was strongly supported by various business groups such as the CANACO, the Historic Centre Entrepreneurial Group, Coparmex, and citizens interested in the matter. All these organisations knew beforehand the objectives of Encuentros (*interview QRO_1*). This advance information may have biased negotiations towards business and middle-class interests; however, street vendors' opinions were also considered during the meetings. The bias supported the understanding that municipal government and formal shop-owners in the city centre had towards street vending. Generally, street vending was considered by formal shop-owners as 'disloyal competition' as the products sold in their shops were also sold in the

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[91] Opposing groups are autonomously created groups, which work collectively and that due to their political force (and in some cases radicalism), they do no accept the methods of political participation established by government.

streets but at lower prices (*interviews QRO-12, SLP_8*). However, the products sold on the streets did not have any guarantee nor did they follow the quality prerequisites determined by the Federal Consumer Attorney. Additionally, the street stall owners did not pay any type of taxes (social security, profit tax, wages, services like electricity, the use of a public space, extraordinary licenses for advertising sales, etc.). Furthermore, due to the irregularities already encountered, the environment was conducive for some street vendors to sell illegal products, promoting piracy and smuggling.

In contrast, street vendors argued that this type of vending was an 'honest' way of living. The advantages were a higher monetary gain than the minimum wage obtained from the formal sector and a degree of flexibility in working hours (Osorio, 1994).[92] Originally, it was believed that street vendors came from marginalized backgrounds, such as in the case of indigenous groups selling handicrafts. However, I observed that more educated people from middle-lower income families participated as well (based on *interviews: QRO-_8, QRO_9, SLP_19*). The increase in the informal sector across the country during the past ten years, prompted politicians to consider street vending as a social and economic problem which could not be solved through direct eradication (as SLP attempted in 1993), but only by finding alternatives to regulate formal and informal trade (*based on interview QRO_16 bis, SLPR_1*).

The awareness that society in Querétaro had towards street vending created an easy collaboration between municipal government and the private sector representing the middle class (i.e. professional organisations, residents, the Church – St Claire, 2000), especially small and local entrepreneurs and residents that frequented the city centre. Consequently, municipal government sought an alternative that would support the reordering programme by creating

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[92] It is also important to consider that the average open unemployment rate in Querétaro, during 1993-2000, was of 4.2%, higher than the national rate of 3.8%. The level of unemployment can be considered a reason for prompting people to look for a productive activity within the informal sector (based on ENEU-INEGI, www.inegi.gob.mx/cgi-win/bdieintsi.exe, 17/05/2005).

"allies [private sector] and weakening enemies [street vendor organisations]" (*interview QRO_1*, my translation).

The arrangements achieved with the allied group were, first, that only street vendors selling traditional products could stay within the core of the city centre.[93] Formal businesses did not want to get rid off traditional handicrafts as they were considered a city-centre attraction. Second, the street vendors selling products similar to those sold shops were relocated to the peripheries of the city to diminish 'disloyal' competition. Thirdly, the appearance of the remaining stalls in the centre was improved and standardized to maintain an image of order and cleanliness.[94] Finally, the private groups supporting Encuentros published in the local newspapers their support and the need for regularising street vending (i.e. CANACO urging for street vending regularisation – *Diario de Querétaro*, 29/01/1998).

After the 1998 strategy of weakening street vendor organisations (by dismantling and imprisoning some of their leaders – see Appendix 1), the municipal government invited all street vendors to propose ideas on how and where their stalls could be relocated. Approximately 57 proposals were received (*interview QRO_1*). From those the most feasible in financial and technical terms were to be discussed in the sessions where all those concerned participated (businesspeople, street vendor leaders, municipal authorities). Finally, Mayor Garrido and his staff had a final word on what decision to make.

The various proposals did not only come from the private sector but also from street vendors. For example, one proposal from an old street vendor to relocate the vendors in the limits of a roundabout outside the hospital zone (located at

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[93] Traditional goods and services refer to the handicrafts produced by local groups or activities carried out for many decades (such as the sale of balloons, fruit and home made crisps and shoe polishing).

[94] In 1996 Querétaro attained the world heritage nomination so, the need to improve the image of the area was important.

the outskirts of the historic centre –*interview QR_6*) was followed by the government. Another example was that of the vendors located in the Alameda Park. In particular these vendors, affiliated to the FCPU, stopped the authorities from relocating them out of the city centre. As a result, the union remained but in a restricted area of the park (*interview QRO_8*). This arrangement was not what the allied group had in mind as it wanted a park free of street vendors. However, the arrangement did persuade the union to standardize their stalls (based on the union's own design criteria) and a wall was built to cover the stalls that surrounded the park. This example shows how Encuentros created a negotiating environment between all parts, municipal government being the broker to attain a more or less 'balanced' result.

From these negotiations municipal government also accrued some benefits. By relocating street vendors, the government was able to raise a census within the city centre boundaries. Also the number of vendors in the centre was reduced.[95] The criteria for selecting the vendors remaining in the area were the number of years they had been in business, their geographical origin and their annual income. Additionally, one stall per family was assigned as a maximum within the central area. Accompanying the stall standardization, the government also repainted walls, re-paved streets and carried out underground cabling of the electricity used by the stalls. With all these modifications street vendors started paying three types of taxes: an annual license or permit to sell, monthly electricity bills, the use of public space, and the rent of the cart substituting the irregular stalls when applicable (*informal interview* QR_6).

By the end of 2000, street vending in the historic centre had been reorganised. This policy was attained by the willingness of Mayor Garrido to control street vending despite the social conflicts that this decision implied (*interview QRO_1*).

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[95] The number of stalls in Alameda Park was reduced from 900 to 350; and in the central alleys from 250 to 115 stalls. The vendors who did not remain in the city centre were relocated to open markets set up in the peripheries of the city (called *tianguis*). During 1997-2000 a total of 6000 (approximately) worked in the city centre (*interview QR_6*).

In the end, the Garrido administration considered there was more gain than loss, as the city centre was considered 'the pride' of Querétaro. It was perceived that this achievement generated social support which advanced Mayor Garrido's political career (as he was elected governor in 2003). This social content was observed through local newspapers (at the time) and hotel chains expressing their gratification at the relocation of street vendors (*interview QR_12*). Also, some residents living in the area suggested that living through the 'chaotic period' again was undesirable (*interview QRO_11*). Even some street vendors (those selling traditional goods) expressed their satisfaction with these negotiations due to the tranquillity in which they subsequently developed their business (as the threats of being displaced by the police were over – *interview QRO_9*). But the FCPU did not have good memories of the Garrido administration due to the constant confrontations between the two sides. However, the ability of municipal government to accept the proposals suggested by FCPU made the union more inclined to accept the new rules of the game.

However, the street vendor policy had further social implications that are related to repressive actions during the authoritarian reigme. The 1997-2000 municipal administration together with the state administrations (1997-2003, 2003-09) became known as repressors of popular organisations. This was observed in the statements by popular group leaders such as FIOZ and the *Antorchista* Movement

> 'They [state and municipal governments] are planning to disintegrate those organisations that have been the first in supporting citizenship, now government judges us as criminals and a jeopardy to society' (stated by Sergio Jerónimo in *La Tribuna Universitaria*, 10/03/1998, my translation).

> 'They [Governor Garrido and his cabinet] state that their administration...does not deal with organisations but with individual citizens...however, these people have never explained the motives that support this statement, on the contrary they are violating...the ninth article of the Constitution of the Republic [which

states the freedom to act collectively]' (declared by Aquiles Córdova, 17/09/2004, www.antorchacampesian.org.mx/articulos, my translation).

These statements reflect a serious downside to the local *panista* administrations, which dimantled popular organisations and invited them, instead, to participate in the methods pertaining to the official category, as the sole mode of communication. It can be argued that local government had dismantled popular organisations as a reaction against clientelistic relationships between popular organisations and the old *priista* regime (see Section 6.5 and Appendix 1). As a result, popular organisations such as FIOZ were dismantled, or they learned to deal with these new administrations by relying on opposition political parties (i.e. FCPU to the PRD) and by adapting themselves into the official participatory structures (i.e. *Cooperativa Artesanos de Libertad* who became a micro-entrepreneurial association to promote handicrafts sold on the streets). The paradox, however, lies in the government's acceptance of professional or business organisations participating in the ECs but rejection of popular organisations, independent from governmental structures.

The repression against popular groups in February 1998 (see Appendix 1) illustrates the schizophrenic meaning of participation within the political discourse. This relies on the use of physical repression followed up by the strategy of participation and negotiation with street vendors in the historic centre. Even though the repression against popular riots were not part of the municipal plan, there was no doubt that they helped the Garrido administration to gain allies in order to carry out the reorganisation of street vending.

It was mentioned at the start of this section that the contingent category works as a tool for sorting out problems in order to achieve government goals. The negotiations carried out with street vendors during the Garrido administration are a clear example of this. The street vending reorganisation in the city centre meant getting involved with opposing groups through repressing mechanisms intended to attenuate their reactive behaviour, and afterwards through negotiating schemes. These schemes had the opportunity to become part of the

political discourse of participation, in a more sustained way. This continuity could have been promoted by subsequent administrations. However, the negotiating process that was developed (as an innovative organisational structure during 1997-2000) was undermined by the García administration which did not promote the integration of street vendors in the public consultations and events organised by the HCB or the IMPLAN. Instead, the officers in charge of organising these events decided not to invite street vendors due to their reactive behaviour (*interview QR_12*). These aspects show that the relocation policy had an instrumental purpose which did not help to break the stigma against street vending.

In summary, the street vending case in Querétaro shows that, despite the positive aspects that the negotiating sessions produced in terms of creating a more inclusive participative environment, limits existed within and after the Garrido administration. These were the weakening of popular organisations, since the incident in 1998, and the lack of political continuity that the negotiations had with new forms of organisation like the HCB. These aspects all reveal a limited interest in urban reimaging as a way of maintaining urban entrepreneurship, and the existence of informal arrangements that, in the end, seemed to favour the local elite (politicians, business groups, professionals).

8.3.2. The case of street vendors in San Luis Potosí. A conflict was also encountered with street vendors in 1993. However, the socio-political context of the municipality was different to Querétaro. The city centre encountered a chaotic situation similar to the previous case. The 'disloyal' competition of street vending prompted formal businesses to use stalls out of their shops to compete on a similar basis. Thus serious commercial disorder was caused by informal and formal vendors (*interview SLP_8, SLP_13*).

The disadvantage that established shops encountered (by paying taxes and following regulations), prompted shop owners to close their businesses for one day and demonstrate outside the city hall. This mobilisation was led by various

members of *Nuestro Centro* (which was the city centre entrepreneurial association with close links to the CANACO in SLP). Nuestro Centro, years later became a member in the HCCC. However, I observed that its role in the partnership was very passive.

This business mobilisation surprised governmental authorities; as a result, federal government put pressure on state and municipal governments to collaborate on attaining order.[96] But in contrast to Querétaro, the actions taken at that time by Governor Sánchez and Mayor Leal tended to eradicate rather than negotiate with street vendors. In this case, the reason to eradicate street vendors relied basically on the antagonism that local businesses had against them rather than being mixed with image 'boosterism'.

The eradication policy caused harsh reactions from several organisations such as the *Union del Centro* (*interview SLP_17*). In this case one of its leaders was imprisoned for demonstrating against this political decision. To compensate for the eradication, municipal and state governments decided to construct two in-door markets so that the vendors affected could move in. However, this strategy did not work, as one of the markets was used as storage and the other was used as a street fight arena, while vendors kept selling on the streets (*based on own observations and interview SLP_13*).

I was able to identify three reasons why this strategy was so unsuccessful. The first one refers to a cultural belief, which emphasised that customers were attracted more easily by standing in the streets rather than being in an enclosed place. The second refers to the government's incompetence in not convincing water and telephone companies to establish a payment branch in the market (based on *interview* SLP_20). With this type of service people might have been attracted to the market and the first reason would have been resolved, but this

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[96] It is important to remember that in 1991 SLP emerged from a strong political conflict headed by Navismo. The 1993 disorder in the city centre could have been considered as a possible threat to political stability and thus the need to control any possible social disorder.

was never attained. Finally, the clientelistic relations between some street vendor leaders and political parties (especially with the PRI) convinced vendors to move away in the immediate period; but the needs of the people (who made their living from vending) and the 1995 economic crisis (which accentuated unemployment and reduced consumption acquisitive power), increased the number of street vendors once again (*interview SLPR_1*).[97]

Furthermore, many of the street vendors who sold in Las Vías Street on Sundays (in the periphery of the central zone) also owned a formal shop in the city centre. Thus vendors acted as both formal and informal businesses, simultaneously. The reason for this was the low sales that businesses in the centre faced, partly because of low demand but also because of the arrival of retail centres in the city since the end of the 1990s. Big retailers (with transnational and national capital) attracted people to the peripheries of the city, affecting the concentration of trade that characterised the city centre as the main place for shopping (*interviews: SLP_13, SLP_17*).

Even though *Nuestro Centro* recognised that street vending increased during the last ten years, its members were not willing to start another demonstration like the one they initiated in 1993 (*interview SLP_13*). This was partly because the seriousness of the problem had not reached the chaotic level encountered in the city centre in 1993; and partly because the main streets and plazas (until mid 2004) were still free from street vending, resulting from the 1993 policy. But another reason why *Nuestro Centro* members did not react as radically as in 1993 was because of its awareness that many of the local shop-owners in the city centre were also involved in the informal sector, as in the case of Las Vías Street. The ambiguous situation that many of the shop-owners faced suggests

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[97] According to an ex- leader, street vendors in the central zone, in 1993, were near 1000, whereas in 2004 street vendors increased to 3000 (*interview: SLP_17).* However an official document reported that during 2000-03 the total number of street vendors in the city centre was of 1130. (CCA_SLP, 2000-03).The biggest organisation of street vendors in the city centre was the *Antorchista* Movement representing 20% of the vendors during 2000-03.

that *Nuestro Centro* did not feel it had the full support and capacity to start another strong demonstration against street vending. Besides, its concern started to focus on making its members more competitive in relation to the big retailers (*interview SLP_8*).

Informal sector activities were not easy to control from the municipal level as employment policies were managed by state and federal governments. As a result, municipal governments had to create alternatives to find a balance between the two. Querétaro did it throughout its negotiations in the late 1990s. In the case of SLP, the 1993 eradication policy exacted a high price from Mayor Leal's political career (lack of popular support - *based on interviews: SLP_8, SLP_20*). This may suggest that his experience taught subsequent politicians to be more tolerant towards street vending, or oppositional groups in general.[98]

This more tolerant behaviour was observed in the negotiating sessions that the Municipal Department of Commerce started to hold in mid 2004 (*interview: SLP_17, SLP_13*). These sessions attempted to follow a process similar to the one implemented in Querétaro. Different street vendor organisations, local business, primary school representatives, Church representatives, and universities were invited to the sessions. The main actors, however, were street vendor representatives and local businesses located in the city centre (*based on interviews SLP_13, SLP_17*). The idea accompanying these sessions was that of urban re-imaging, a strategy that had became more important since local governments wanted to attain the world heritage nomination. In this first stage of the negotiations only traditional street vendors were involved, while other

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[98] This argument is supported through the existence of the Coordination of Citizen Attention Office which was in charge of assisting opposing group demands such as those of the *Antorchista* Movement. This unit supplemented the Direction of Citizen Participation and Citizen Wednesdays. If a opposing group's claim was supported by the municipal president, then it was possible that part of the resources from Branch 33 were directed to cover these demands instead of following the MCSD decisions (*interviews: SLPR_4, SLP_10*).

types of vendors were supposed to be involved at a second stage.[99] Nevertheless, the impression that some informants had regarding these negotiations was not very positive. They thought municipal government was only aiming to beautify the area instead of helping street vendors to co-exist with the historic centre's regeneration.[100] As an informal vendor expressed:

> 'To be honest, all of this seems to be a simulacrum [referring to the negotiating sessions]...[The municipal authorities and formal shop owners'] real aim is to relocate us, to send us to the boundaries. They do not want to mention the word relocation, but that is the truth that nobody wants to recognise' (*interview SLP_17,* my translation).

From my perspective, this distrust suggests that the experiences learnt through negotiation and collaboration within the contingent category encounter a problem of sustainability. The problem is partly a result of the lack of a regulatory framework for the management and decision making process. But the problem also arises from this category's instrumental character which drew on both repressive and consensual policies to attain an adequate political environment for historic centre regeneration.

With regard to the relationship between the HCCC and street vendors, is worth mentioning that the relationship was just as distant as the one between HCCC and the NIBs. Furthermore, the HCCC considered that, when social conflicts arose, local government was there to solve them (see Section 7.4.4). This

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[99] I could not gain access to the documents that the Direction of Commerce held regarding the negotiating sessions. I knew about their existence based on what interviewees said. The access to this material was completely denied. This reaction in addition to the secrecy that a previous officer (with knowledge of street vending) asked of me during the interview, suggest that street vending was a very delicate subject.

[100] Part of this distrust was based on what had been heard about Querétaro. Those negotiations were considered fake as in the end municipal government did not care about the conditions in which vendors worked outside the city centre.

shows how new participative organisations, such as public-private partnerships, were not internalising the responsibilities that a more active society involved.

The survival of street vendor organisations in Querétaro and SLP was achieved through their ability to build networks with political parties that offered them a more formal organisation and more strength to face governmental decisions. That was the case of those vendors affiliated to the FCPU in Querétaro and to the *Antorchista* Movement in SLP (for more details see Appendix 1 Sec.2). Street vendor organisations, and in general those organisations representing the informal sector, were considered of relevance by municipal governments. This recognition was observed through the increasing tolerance towards this type of vendors through the creation of organisational structures that allowed their participation in the implementation of the city centre regeneration (which also reflect the previous mobilisations organised by local businesses). However, this type of inclusion did not seek to change the stigma that described informal vending as reactive, illegal, and 'disloyal' towards other sectors of society.

In addition to the stigma created, the limitations that the municipalities of SLP and Querétaro showed in integrating street vendor negotiations with other approaches to participation (i.e. ECs or neighbourhood boards) revealed the limits to inclusion environment within collaboration for the regeneration of the historic centre. These points underline the way in which the contingent category works as a strategy where old institutions (repression and co-optation) prevail within the same dimension as new institutions (promoting collaboration and pluralism).

Conclusions

This chapter discussed the three approaches to participation identified in the municipalities of Querétaro and San Luis Potosí. By categorising them as *official* and *contingent*, it was argued that the *expert councils* and the

neighbourhood boards were officially regulated; in contrast to the *negotiations* between *urban-popular* groups and municipal governments.

Although these approaches to participation, specifically the ECs, focused on other policy arenas such as health and education, they were important in promoting urban planning, regeneration and image 'boosterism'. These approaches reflected, to a certain extent, the different social mobilisations that the municipalities encountered during the 1990s: the legacies of *Navismo* in SLP, the urban-popular mobilisations (representing informal vending), and the upper-middle class mobilisations (in favour of a more accountable and plural regime).

The legacies of *Navismo* were observed in the creation of neighbourhood boards in the municipality of SLP. Upper-middle class legacies were observed in the participation of ECs such as the historic-centre partnerships, as well as in the frequent involvement of local entrepreneurs into local politics. The popular organisation legacies were observed in local governments' development of more standardised ways of negotiating with street vendors. In other words, each form of participation was associated with a particular social mobilisation.

Nevertheless, differences existed in the way each form of participation worked. The differences relied on regulatory frameworks that enforced their operation and on the informal arrangements that moulded their operation and final decisions. Despite the fact that urban-popular negotiations were particularly vulnerable to informal organisational arrangements, due to their lack of a regulatory framework, these also existed arrangements within the ECs and neighbourhood boards. This observation underscores the importance of informal arrangements in both the official and contingent categories. These arrangements were in part dependent on the municipal president's understanding of inclusion and social participation (i.e. in Querétaro – the creation of more municipal bodies that brought more citizen inclusion into the

planning process; and in SLP - mayors being able to change the number of citizen councillors within the CMDS).

The *participative segmentation* (formed by the lack of articulation between ECs and neighbourhood boards) tended to contain and channel the social mobilisations of the 1990s, along with the political discretion of local leaders. These factors contributed to the formation of a structure that limited the possibilities of participation. However, having such a structure in place paid lip service to the notion of inclusiveness and, once contained in a legal and official framework, set parameters that might eventually be accepted. In this sense, a limiting structure was produced out of the rhetoric and popular demand for democratisation. The discourse of participation and increased participative awareness, in the context of important limitations, enhances formal collaboration, but also finds ways to obstruct a genuine and inclusive participation of all social groups. That was the case in examples such as the obscure process of decision making in the citizen consultative council in Querétaro; the limitations that the citizen councils encountered when participating in the CMDS sessions; the lack of trust that street vendor organisations had towards municipal government, and the lack of articulation of historic-centre partnerships with other forms of participation. It seems that the local elite interests (politicians and entrepreneurs) were 'constrained' to adopt a discourse of democracy and inclusive participation (based on Roberts, 2005: 120), which had been imposed on them by federal government in following the *denationalisation* trend.

Throughout the chapter the central role of government (at all levels) in promoting and implementing the whole participatory system was revealed. This responded to the fiscal decentralisation of Branch 33 (specifically the two funds earmarking municipal development) which required citizen participation to set the agenda on how the resources were to be spent. However, the implementation of the whole decentralisation process has prompted local governments to create at least three approaches to participation. Even though

there was a planned linkage between the three, especially with the ECs and the neighbourhood boards, the coordination between themselves was weak and even weaker when urban-popular negotiations are also considered.

The role of municipal government was significant. It was the primary stakeholder promoting civil and social participation and collaboration between the three levels of government and the public and the private sectors. Interestingly, local governments designed forms of participation that promoted a more democratic society, based on the legacy of social mobilisations. In many of the cases these mobilisations had a national impact on the democratisation process such as *Navismo* or business chambers such as Coparmex and CANACO. Despite their national impact, some local effects were observed in the legacies left upon urban political matters through expert councils and in the creation or modifications of local laws and regulations enforcing political participation. In the case of street vendor negotiations, they tended to be more formalised through a more structured mechanism that broke with old, clientelistic arrangements. However, the negotiations maintained a stigmatising character that segmented them from other forms of participation.

Within a context of the denationalisation trend and of cross sector participation supporting urban entrepreneurialism, this chapter concludes that the governmental apparatus in the municipalities of Querétaro and SLP played a significant role in motivating civil society to participate, through the structures formed during the 1990 social mobilisations. Particularly, the preference shown for involving the upper-middle class in ECs, such as in urban regeneration partnerships, emphasises the segmented system of participation that these municipalities have embedded. The differences in how citizens can participate underline how governance, in itself, can magnify pluralism and the active participation of citizens in policy decision. The recognition of other theoretical tools such as urban regimes, participation and new institutionalism enables an analysis that digs further into findings, revealing the importance of informal

arrangements (putting limits on political participation) and the simultaneity of old and new institutions working together.

The following chapter discusses how municipal governments, apart from responding to national decentralisation guidelines, they also reacted to an interweaving of international pressures and, specifically, local influences.

Chapter 9 - The role of municipal centres: top-down and bottom-up influences

Introduction

This chapter focuses on the third trend of urban entrepreneurialism - the *internationalisation* of the national state - and the local pressures that municipal governments encounter. This trend relates to the national-state's adjustments to international policies, based on a discourse of decentralisation and participation. This discourse has developed simultaneously with a reduction in state intervention, supported by the neoliberal policies that Mexico has been subject to since the 1980s. The adjustment to these policies can involve the creation of regeneration partnerships and other approaches to participation, at the municipal level. These organisational structures have been designed to maintain urban competitiveness and to create a more participatory and inclusive civil society. Through the regeneration of the city centre a transformation of space has been planned to create a local advantage. Space is understood in terms of social processes (in particular organisational structures) that result from changes in productive modes of capital and increasing globalisation (Massey, 1994).

This chapter argues that these organisational structures are the response of municipal governments in Querétaro and SLP to national and international (top-down) policies of regeneration and participation. However, it is also argued that municipal policies are also subject to bottom-up pressures which originate from a social awareness of civil participation reflected in the intervention of local businesses in local politics and the conflicts arising from urban-popular groups. Under these types of pressure, from the top and the bottom, municipal governments search for policy approaches that allow them to carry out urban development.

The chapter examines, first, how municipal governments in SLP and Querétaro have followed international and national guidelines to promote urban development. The next section discusses how municipal governments are pushed away from the top-down discourse on inclusive participation due to local management failures and market rivalries. Finally, the last section discusses the manner in which these failures provide municipal government with flexibility to cope with the pressures coming from above and below.

9.1. Municipal governments' response to top-down policies

This section looks at how Querétaro and SLP municipal governments have responded to federal decentralisation policies which, at the same time, have complemented neoliberal policies recommended by international organisations - like the World Bank (World Bank) and the Organisation for Economic Cooperation and Development (OECD), United Nations affiliated agencies such as UNESCO and UN-Habitat, and other international financial institutions as the Interamerican Development Bank (IDB). World Bank and OECD began to recognise, during the 1990s, that successful economic structural reforms in developing countries needed strong institutions to guarantee an effective use of the aid provided (OECD, 1998; Santiso, 2001). Particularly, this institutional strength was based on the concept of *good governance* (see Section 4.3.3).

Good governance has encountered different definitions (Kjaer, 2004: 173); but its core features imply managing public affairs in a transparent, accountable and participatory manner to reduce corruption and strengthen 'rule-bound behaviour' (Kjaer, 2004; Santiso, 2001). The existence of strong institutions has become so relevant in the case of the World Bank that financial aid is not only determined by the objective needs of a recipient country but also by its performance on implementing reforms in governance.

I observed that three terms were used in the political discourse of international organisations and the municipalities under study: participation in public policymaking, the prevalence of the rule of law and the existence of regulatory

organisational structures. Civil society's involvement in public policymaking was observed through the participatory systems in Querétaro and SLP. These systems, despite their limitations, aimed for citizens and non-governmental stakeholders to be more proactive in the decisions regarding municipal urban infrastructure.

The World Bank understands the 'prevalence of the rule of law' as the "developing of sound financial markets with appropriate regulations and supervision, enhancing the legal and regulatory environments" (Santiso, 2001:15). In the case of the municipalities under study, I observed that the 'prevalence of the rule of law' refers more to the creation of new state and municipal legal frameworks to regulate the operation or to complement the policy decisions taken; for example, the municipalisation of the police or the creation of the Street Commerce Regulation in Querétaro and SLP during the 1990s. Even though the understanding of this point differs between the World Bank and the municipalities, it can be argued that they complement each other. The differences identified for each level of policy are natural if it is considered that the Bank has a global perspective on the development of markets (for which the financial sector matters), while the municipalities had a local perspective, in which the distinction between formal and informal sectors attained more importance for the development of local markets (OECD, 1998: 92).

The World Bank promotes the checks and balances through horizontal and vertical separation of powers (i.e. executive vs. legislative powers) (Santiso, 2001). The case study municipalities promoted the creation of expert councils or neighbourhood boards to provide an additional counterweight to a sole individual's (i.e. mayor) decisions based on discretionary arrangements, even corruption. Thus the Bank recommends counterweights between the judicial, legislative and executive powers as a mode of promoting accountability within a nation, whereas these municipalities have strengthened the counterweights to the municipal stakeholders through different forms of participation.

There are cases in which the World Bank focuses on local aspects by sponsoring projects that diminished corruption. The case of the IMPLAN in Querétaro, sponsored by the World Bank and federal government, won the anticorruption project to define the land use of protected environmental areas. This was designed by enhancing information systems (i.e. the creation of documents and websites), the involvement of civil society (i.e. the creation of workshops and citizen councils), accountability, and by controlling the *negative* effects of discretionary (or informal) arrangements (IMPLAN_doc1, 2004). The case of IMPLAN reveals the impact of international organisations upon municipalities. The links are dependent, however, upon regulatory guidance provided by federal government. This guidance can be reflected in fiscal and political decentralisation policies regarding urban planning and development and their incorporation of citizen participation in the legal framework (see Appendix 3 and Section 3.3.3).

This guidance can be interpreted as part of state *pro-activeness* insofar as national-states adapt local organisational projects into international policies. This guidance does not necessarily undermine the role of the national-state, but shifts its functions towards becoming a vehicle of collective interest in an era that tends towards economic and political globalisation, which includes subnational reconfiguration (Brenner, 2004; Pierre & Peters, 2000). Policies of the federal government in Mexico have localised international recommendations related to the deconcentration of the industrial sector in Mexico City, to improve the transportation and communication systems, to revitalise city centres, and to promote awareness of environmental sustainability and participation among different tiers of government and civil society. All of these policies support the development of economic growth and help to diminish the rates of urban poverty (based on WB_MUDR, 2002). These policies were underlined in the National Urban Development Plan (1995-2000; 2000-06) and in the National Programme of Urban Development and Territorial Ordering (2000-06).

9.1.1. The regeneration of city centres. The preservation and regeneration of historic or sacred city centres have been considered in the international discourse as a source for building social self-esteem and sense of community (Serageldin et al., 2000). These two aspects, as a part of culture, are able to nurture economic development through social cohesion or social capital. The regeneration of city centres has been considered a leading action for economic transformation through the service sector (i.e. real estate, tourism, leisure). Thus, it is argued that this trend is generating "new employment opportunities, contributing to the increased production and consumption for cultural goods and services, and stimulating local art markets" (2000: xvi). Many of these opportunities take into consideration the creation of public-private partnerships (Bromley & Jones, 1999).

The proactive role of the national-state can be exemplified in the recommendations of UNESCO-ICOMOS for conserving historic towns and the effect of this on the localities. These recommendations stated (a) the need for the prudence of a systematic approach and discipline for conserving an area and (b) the multidisciplinary studies that conservation plans should precede (WC, 1987). The statements above were very vague and a more specific strategy needed to be defined to implement them.

In Mexico, during the 1980s, there was a lack of national guidance for establishing which specific organisations (apart from INAH) were responsible for developing a systematic methodology with a multidisciplinary focus. Despite the fact that the Monuments and Sites Law existed since 1972, it only justified the importance of conserving historic sites without establishing how to manage and implement their conservation. It was during the 1990s, with the creation of the Association of Mexican World Heritage Cities (AMWHC), in 1996, and through the 100 Cities Programme (1992) and the national programme Habitat (2000), that more specific guidelines were established. These guidelines provided more information on how heritage should be managed and financed at the local level.

The AMWHC was a national partnership formed by federal and state tourist offices and municipal agencies as well as by the private sector in each of the cities considered as world heritage.[101] Furthermore, this association had direct links with international organisations interested in funding historic sites around the globe. Thus one of its main purposes was to pool both national and international resources to promote the conservation of these cities.[102]

As its principal strategy, the association aimed at the creation of national and partial development plans that would guide the urbanisation of these cities. In particular, it promoted particular projects such as strategies to enhance the economic development of the historic centres; the updating of the Mexican world heritage legal framework; the renovation of urban furniture (i.e. benches, bins, street labels, street lamps, etc.); illumination for historic monuments; and tourist publicity. I observed that some of these projects were carried out in Querétaro and SLP through the HCB and the HCCC, such as the updating of the street nomenclature sponsored by the Federal Tourism Secretariat.

However, one of the limitations that this association had was its focus on image 'boosterism'. I observed this through the projects that the HCB and the HCCC developed, which tended to improve urban image and infrastructure. Even though the association cared for land use regulation and local economic development,[103] these projects depended more on the strategies that local governments implemented to attain them. For example, municipal governments were the ones responsible for defining the land use throughout the city, as well as deciding on the strategies to enhance tourism and commerce (i.e. to build a museum or a shopping centre).

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[101] There are nine cities in the country under this category: Mexico, Oaxaca, Puebla, Zacatecas, Morelia, Campeche, Queretaro, Guanajuato and Tlacotalpan. San Luis Potosi is not included but is aiming to attain that nomination.

[102] See http://www.ciudadesmexicanaspatrimonio.org/index_fla.htm

[103] In the case of the historic centres the land use has to be compatible with a mixed area were residential and commercial uses co-exist.

Regarding the inclusion of marginalised groups within the policies promoting conservation, UNESCO-ICOMOS suggested the involvement of residents living in the historic areas (WC, 1987). But rather than promoting a mere gentrification of the zone, the preservation of different social classes was promoted by including low-income housing projects.[104] It is the mix of social classes which has helped to maintain traditions within a neighbourhood, such as religious festivities. This inclusive recommendation was reflected locally in the strategies that the HCB and HCCC wanted to promote. However, the predominance of local elite interests within the partnerships in addition to the coordination costs obstructed the involvement of other popular groups.

An example, mentioned in Chapter 7, was the improvement of housing within the historic centre of Querétaro. Many houses, considered historic, were occupied by low-income families, who did not have enough money to restore the house's façade or structure. An alternative was to provide these families with the necessary help via governmental subsidies and loans. However, the immense coordination that it implied to involve federal and state governmental agencies paralysed the HCB's activities.

UNESCO's inclusive participation for the conservation of historic sites was reflected in the National Urban Development Programme during 1995-2000 and in the national programme Habitat.[105] The latter programme was coordinated by the Federal Social Development Secretariat in collaboration with state and municipal governments. Habitat's main aim was to alleviate poverty in urban localities. Specifically, there was a category that sponsored those cities with historic centres nominated as world heritage. The provision of urban equipment

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[104] Gentrification means the occupancy of an abandoned area by upper-income people to economically revive the area, often resulting in displacement of low-income individuals/families.

[105] Habitat followed closely the recommendations stated by the UN-Istanbul Declaration on Human Settlements and a partial loan from the IDB in 2000 (see http://www.unhabitat.org/delcarations/Istabul.asp; AUP_IDB, 2000).

and image improvement were considered as the principal actions within this category.

Although direct participation of the residents was not emphasised in these actions, Habitat's general aims promoted the participation of residents and civil organisations in the execution of the works, or asked them to contribute with 10% of the total costs of a project.[106] However, I observed that the residents' participation in the conservation of historic centres promoted by this programme was still limited; for example, the rehabilitation of the main streets in the centre of SLP did not include resident participation. However, a partial reason which could justify this case was the predominance of local businesses in the area.[107]

In summary, Querétaro and SLP had been influenced by top-down policies coming from international institutions. Internationally, governance has tended to refer to public matters being accountable and transparent. This requirement favoured strong institutions that could guarantee these characteristics. Particularly, the prevalence of the rule of law and of participatory organisational structures seemed to promote the collaboration between public and private sectors in an accountable way.

Those aspects, brought forward to the municipal level, were translated into a concern for accountability and transparency in public matters, through the creation of additional counterweights to municipal politicians through partnerships and other approaches to participation. However, the municipalities' understanding of these terms would not have been as similar, in the cases of

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[106] The rest was covered by federal and local governments based on *interview SLP_4bis* and on: *Formato para la asignación y operación de subsidios del programa Habitat*, http://www.sedesol.gob.mx/subsecretarias/desarrollourbano/documentosdeinteres.htm *downloaded 27/01/05*)

[107] Even though SLP does not belong to the group of historic centres nominated as world heritage, its strenuous effort to attain the nomination has created an informal acceptance within Habitat's group of historic cities (*interview: SLP_4bis*).

SLP and Querétaro, without federal strategies promoting decentralisation and local governance. These strategies favoured: multi-level agreements between governments, the creation and modification of urban administrative and planning laws across the country, and the creation of official organisational structures such as the historic centre partnerships and neighbourhood boards. These examples illustrate an association with national policies and international recommendations; the urban space being the arena in which organisational structures and social relationships were built.

9.2. Municipal governments' reaction to bottom-up pressures

This section focuses on the limitations in the operation of the organisational structures influenced by top-down policies. It also focuses on the rivalries between local interests that made municipal governments react with different strategies (termed here as paradoxical strategies – Section 9.3). This reaction is understood, on the one hand, as the ability of municipal governments to create organisational structures that followed national urban planning guidelines; but, on the other hand, as involving an inability to maintain the genuine civil participation that the national and international discourse advocated. The section discusses the impact of local factors as they relate, first, to organisational structures and, second, to market rivalries.

9.2.1. Organisational structures. The organisational structures that followed national urban policies were the historic-centre regeneration partnerships and the participation systems in Querétaro and SLP. These structures aimed to maintain urban competitiveness and innovation through the regeneration of the city centre and the inclusion of civil society into the urban policy process (including the city centre). However, a lack of accountability and the negative effects of informal arrangements used by municipal stakeholders, undermined the operation of these structures and, thus, of urban competitiveness and innovation. In order to exemplify the contradictions that municipal governments encountered, the cases of the Historic Centre Board in Querétaro and the

Municipal Council of Social Development in SLP are used. The case of the Historic Centre Consultative Council was not analysed due to the limited activities of the partnership, which focused only in obtaining the world heritage nomination. Its limited actions did not provide enough material to deepen my analysis, so the MCSD case was analysed instead.

The first example in which municipal governments encountered problems when trying to comply with top-down policies was in the inability of the HCB, to be *accountable* to others. Chapter 7 mentioned some of the HCB's limitations regarding three main points: (a) the lack of a master plan where objectives, strategies and actions were stated, (b) the lack of open and clear accounts on how the HCB spent the money given by municipal government, and (c) the lack of a state or municipal regulation which could establish the codes of conduct, communication and operation within a public-private partnership.

The case of the HCB showed, on the one hand, the intentions of municipal government to create new organisational structures where different sectors of society could collaborate. This partnership also showed the creation of an innovative structure to promote the continuity of conserving and regenerating the city centre. This continuity was revealed through the registration of the partnership as a civil association which aimed to counterweight municipal government's actions (*Acta Constitutiva*, 2001). But on the other hand, the secrecy of its operations and planning due to the lack of a detailed legal or official framework to establish codes of conduct broke with the conception of strong institutions that top-down declarations advocated.

Additionally, the social reaction against the partnership's lack of accountability is also important (see Box 7.2). This reaction criticised the HCB's secret operations which were considered to benefit the partnership members' personal interests. In particular, the administration of public monies by a civil association on behalf of a public interest caused the greatest number of complaints, as this type of administrative arrangement had not been seen before or at least had not

been publicly known (*interview QRO_14 and informal discussion with a member of the Centro de Información Ambiental*).

The activities carried out by the HCB were accompanied in 2003 by the political instability that state and municipal elections generated. During this period the activities of the partnership were used in favour of or against Mayor García's performance or the political party he represented, the PAN. The interest of Mayor García in promoting the creation of the partnership in 2001, in addition to his regime's interest in promoting the city centre's economic development, revealed the close links between the HCB members and himself. As a result, this strategy was considered by some people as the personal project of Mayor García reflected in his interest of becoming the board's development leader after his administration was over (*interview QR_1*).

When Armando Rivera came into office (2003-06), the HCB's activities diminished as the new municipal administration seemed to have some reservations about it. These reservations can be explained, first, because Mayor Rivera did not have a strong interest in developing the city centre; instead his administration focused on infrastructure for water provision and anti-flooding. Second, the innovation of a civil association managing public monies caused distrust. Even though this arrangement was not illegal, it was supported by a loose regulatory framework.[108] I believe that this fault discouraged the Rivera administration from continuing with the HCB's development.

Consequently, this decision undermined the activities of the partnership. This was because the innovation of bringing together the INAH, the Direction of Monuments and Sites and the private sector in the development of the city centre was disrupted by the lack of the mayor's support. As a result, these organisations remained fragmented; leaving the INAH and the Direction of Monuments and Sites in a more advantageous position than the HCB due to

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[108] It was not illegal as the public resources were transferred to the partnership as a donation from municipal government.

their resources (knowledge, skills and technology) and their authoritative role (*informal discussion with the INAH conservation staff and informal interview QR_3)*.

A second example of the way in which municipal governments encountered problems when trying to comply with top-down policies was in the *extent of citizen participation* when deciding on minor urban works. Section 8.2.2 discussed how the CMDS became an organisational structure to comply with the guidelines established by fiscal decentralisation policies to strengthen municipal infrastructure.

This council followed a top-down policy (i.e. Branch 33) by incorporating the participation of neighbourhood residents into the decision making of the implementation stage. The council was subject to the amount of resources allocated by federal government as well as to the issues upon which these resources were to be spent. These issues regarded street paving, drainage, sewerage, street electrification, road networks, regeneration of community spaces (i.e. parks, temple restoration) and their maintenance.

At first glance, the CMDS seemed to be a pluralistic promoter of participative democracy, accountable and legitimate: (a) pluralistic, as the council was formed by a range of different neighbourhood residents representing different zones within the municipality; (b) a promoter of participative democracy, as the residents or citizen councillors needed to get involved in public affairs regarding daily citizen's needs; (c) accountable, as the decisions on how to spend the funds were known by neighbourhood representatives and published once a year;[109] and (d) legitimate, as the decisions taken by municipal government on minor urban works were supported by local residents' needs, (represented by a citizen councillor).

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[109] The outcomes were published once a year in joint with the Municipality Annual Report.

Despite the fact that the council was regulated by state laws and municipal regulations,[110] some discretionary arrangements were identified that weakened the council's participative nature. The discretionary measures related to the objectives that the municipal president had in developing social participation on issues related to urban works. Three factors illustrate these measures. The first one relates to the municipal president and his cabinet's ability to convince citizen councillors that a particular project was necessary for the city's development. The case of the road network infrastructure, in Box 9.1, helps in understanding this point.

Box 9.1. Road network infrastructure as an example of urban modernisation

The interest of SLP municipal presidents in enhancing the road network had been observed since 1997 (CPU_doc2, 2004). This political strategy aimed to enhance the urban modernisation process of the municipality, considered as a trade hub. Some examples of the development of this road network concerned the peripheries of the city centre, such as: the Juárez Complex, Salvador Nava Circuit, and the Bocanegra Underpass. [111] The importance that the road network system had implied for the municipal administration since 1997 was transmitted during the CMDS's sessions. The ability to convince citizen councillors about the importance of this matter made them understand that not only were the coverage and maintenance of public services significant, but also the modernisation of the city as a prerequisite to attract investment and create jobs (*interview: SLPR_2*). A citizen councillor during Marcelo de los Santos' administration stated that:

> 'Marcelo [also prioritised]...road and bridge infrastructure. Some people were against these decisions...This people did not understand that this was a step towards modernising the city...in order to attract investment all this urbanisation was needed' (*interview: SLP_10,* my translation).

The second factor relates to the opportunity that SLP's municipal presidents had to decide the number of citizen councillors, as discussed in Section 8.2.2. This decision was not unilateral as the municipal congress' approval was needed for the number to be passed. However, the tendency for a decreasing number of councillors from 1997 to 2003 illustrated that a preference existed towards a smaller group for taking decisions.

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[110] Laws like: Administration Law of Transferred Allocations, Internal Regulation of the CMDS, Fiscal Coordination Law.

[111] These developments unite the centre of the city with the roads leading to other important cities in the region many of which are linked to the NAFTA route (number 57).

Finally, the third factor was reflected in the ambiguous statement of the Law of Federal Allocations for the State and Municipalities of SLP, which left unclear if municipal councils such as the CMDS had a full approval on both funds derived from Branch 33 (see Section 8.2.2). This ambiguity allowed the Pedroza administration (2003-06) to limit the CMDS's decision on the budget. In 2004, the CMDS was able only to decide upon the Social Infrastructure Fund, which curiously was the fund with the least amount of resources (*interviews SLP_10 and SLP_12,* INAFED, 2005).

These last points underline the operational variants within the CMDS which undermined its pluralistic, accountable and participative nature. The slowly decreasing number of citizen councillors and the radical change for the CMDS to decide upon the budget coming from Branch 33 can be considered as an instrumental strategy that seems to comply only with the rhetoric of inclusiveness. This rhetoric was accompanied by the local government's desire to achieve an effective road network (also considered a priority in the de los Santos administration as governor (2003-2009); *El Heraldo de San Luis*, 5/05/2005) and, possibly, Mayor Pedroza's lack of experience in negotiating with social groups (which made him avoid dealings with large citizen groups during the policy process - *based on interview SLP_12*).

Citizen groups expressed their disagreement with the tendencies followed by the CMDS through the local press (*based on interview SLP_10*). However, no other type of reaction was observed during the fieldwork that demonstrated, in a more explicit way, citizens' discontent. This makes me think that the neighbourhood boards' limited awareness prevented a stronger mobilisation against the changes led by municipal presidents. It is worth remembering that the NIBs were created as a structure of inclusion that was later merged with the CMDS to comply with the national decentralisation and planning policies. This prompted the municipality to look for strategies to develop a participatory

budget through the neighbourhood boards, leaving aside the training that citizen councillors needed to carry out a more representative or active role.

In summary, this section underlines that, if operational processes are not well regulated, gaps can appear to undermine accountability and participation. These gaps mean that social groups were not included in the decision-making process in a genuine way. However, it is worth noticing that, at first glance, these municipalities were following with national and international aims that impact beyond the historical-centre area (i.e. CMDS). They followed the national and international requirements as long as the rule of law and the institutional checks and balances prevailed (i.e. the existence of partnerships and citizen participation methods). However, none of these top-down policies seemed to acknowledge the reality of personal political interests and citizen awareness as factors that undermine or promote accountability and participation.

It cannot be denied that certain levels of pluralism have been enforced through top-down urban planning. This pluralism is represented in the coordination between different levels of government and civil society, represented mainly by business and professional groups. This pluralism did not exist during the authoritarian regime in such an institutionalised structure as it exists today (with organisations that continue through time based on regulatory frameworks). However, this pluralism has reached a point where shared responsibilities have been limited by new strategies or discretionary measures that seem to restrict its development (i.e. legal interpretations, operational failures). Thus political stakeholders' awareness appears to be a significant factor in developing a degree of inclusiveness and co-responsibility within organisational structures. This awareness involves finding a balance between top-down policies and bottom-up interests, within a context led by urban competitiveness.

9.2.2. Market rivalries. I observed a rivalry between economic subsectors within the area of the historic centre. Previously it was noted that the historic

centre had been considered as a niche for investment. Consequently, this niche could contribute to the municipality's economic development. The transformation of this area has been relevant in attaining this development, especially through regeneration projects.

During the fieldwork period, this regeneration ranged from street 'beautification' (cleaning and gardening) through street pedestrianisation, to the substitution of traditional urban furniture for more modern designs. Other projects involved underground cabling and the changing of the water flow levels. These types of projects involved mainly local governments and the HCB or HCCC as coordinators. Projects that involved other types of actors were taken into account in both municipalities, such as the coordination between different levels of government to improve housing or a park's regeneration - in which real estate, leisure and commerce businesses were involved. However, the active participation of other actors such as urban popular groups or residents was undermined by the lack of coordination functions within the projects.

In addition to the coordination difficulties, which can be associated with the dilemmas of organisational structure, both municipalities encountered problems regarding the rivalry among service and trade sectors. The first rivalry that I observed was between the *formal and the informal groups*. The 'disloyal' competence which formal shop-owners accused street vendors of for selling the same products at a lower price, plus the degree of anarchic behaviour in invading the streets, pushed municipal and state governments to look for radical solutions to control the phenomenon.

In both municipalities repression was the common mode to control street vending. The repression varied according to the extent to which government wanted either to eradicate or control the phenomenon. Both repressive and inclusive strategies (that invited vendors to contribute to the formulation of alternatives as discussed in Section 8.3) had socio-political implications. These implications were not considered by international and national agencies, but

had to be sorted out by municipal government and in some cases supported by state government. That was the case in regenerating the city centres in the country. This policy at first looked to re-image the area without taking into consideration the urban organisations affected. After the high political costs which were encountered, as in the case of the SLP repression, other municipalities started to negotiate with street vendors.

The demands of the informal groups affected other institutional areas as well; for instance, the CMDS in SLP decided to divert resources for minor works to certain neighbourhoods to fulfil the demands of autonomous urban-popular mobilisations. The diversion of resources was arranged through the Municipal Coordination of Citizen Attention Office which assisted opposing group demands, such as the ones from organisations that tended to invade lands and represent street vendor interests (i.e. *Antorchista* Movement - *interview SLPR_4*). It is the existence of the informal sector and its close relationship with urban planning (i.e. regeneration and the regulation of land use) which distracted and delayed local government's compliance with national policies. In the course of the past decade, the municipalities of SLP and Querétaro continued with regeneration policies; however, social problems emerged that prompted them to act in a contradictory manner, using first repressive and then inclusive strategies (more details in Section 9.3.1).

A second rivalry was between *big retail companies and local shops* situated in the city centre. Through the arrival of big retailers to Querétaro and SLP since the early 1990s, the city centres have been less visited by locals when doing their shopping (*a perception noticed throughout informal discussions with shop-owners*). Nevertheless, the city centres still encompass an important percentage of the commercial area in the city. In SLP's historic centre, 50% of the properties are used for commercial and service purposes (Dossier, 2004), whereas in Querétaro the percentage is about 42.5% (including residential and services – RPPCH, 2000). Small local shops, altogether, in these cities had an employment occupancy index as significant as the occupancy index reported for

big retail companies.[112] These data reveal that local businesses play an important role in the local economy; hence attracting big retail firms generates a sensitive issue for municipal government; despite the fact that the establishment of these big companies was considered an incentive to attract further capital investment.[113]

Even though I did not observe any real opposition between local and retail business groups, I was able to perceive that this was a matter which could generate future political and social problems. The political impact that small local businesses generated when they demonstrated in the city centre streets of SLP and Querétaro (when threatened by street vendors) is an example of a bottom-up pressure on local governments. The small businesses' level of satisfaction was relevant to maintain local political stability. Furthermore, it was not in vain that small-shop entrepreneurs were involved in local politics by participating as candidates in pubic elections (see Appendix 1- Sec. 3).

It is interesting to note that the rivalry between business groups also tended to generate competitiveness between urban areas within the same city (i.e. retail area vs. city centre). As a result, municipal government attempted to satisfy rival business groups by alternating policies that favoured first one and then the other. That was a problem identified in SLP where some entrepreneurs stated that the city had not found its vocation for an industrial centre, a tourist centre or trade hub (*based on interviews SLP_9, SLPR_6*).

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[112] Based on BIE-INEGI (www.inegi.gob.mx, consulted 10/08/2004) the occupancy employment index in the city of Queretaro for small commerce businesses was of 99.9, 83.55, 92.49, and 114.7 in 1994, 1997, 2000 and 2003, respectively. These are relatively higher than the big retail companies that reported an index of 100, 86.9, 88.6, and 90.28 in 1994, 1997, 2000 and 2003, respectively. Similar data for SLP reported an index of 100 in both categories; and in 2000 and 2003 the big retail company index was slightly higher than the small shop index by: 103.6> 94.05; 104.26>103, respectively,

[113] For example, the CEO of an industrial firm and his/her family's need for a shopping mall and other services in order to feel motivated to move in to a new city.

The third rivalry was based on a potential enmity between the *tourist and the commercial sectors* in the city centre. This rivalry is referred to as 'potential' as no clear rivalry was observed during the fieldwork period. However, some of the informants' understanding showed how the two sectors were starting to compete with each other. The conflicts were related to the transformation of a locality which implicated the promotion of tourism vis-à-vis the commercial sphere. Box 9.2 exemplifies this rivalry through the restoration of old buildings in the city centre for cultural purposes, such as galleries or museums.

Box 9.2. The case of the Federico Silva Museum and the Post Office Building in SLP

This museum was inaugurated in 2003. The building which housed the museum used to be a hospital and then a school for 300 years. Its location was in the core of the city centre, surrounded by local shops. The creation of this museum aimed to enrich the activities that could be carried out within the city centre. Especially, it targeted tourists and middle-class groups as a way to promote the cultural environment in the city. It also aimed to attract people who had stopped visiting the city centre.

However some shop-owners, associated to Nuestro Centro, argued that the creation of the museum was a bad strategy as it was not attracting the number of people it expected. This because its commercial surroundings were not compatible with the atmosphere that the museum needed. This belief was based on the fact that the local shops aimed to target lower-middle class families who tend to be uninterested in visiting a cultural centre (*interview SLP_8*).

This precedent questioned the use to be given to another neoclassical building where the Post Office was located. For some shop-owners, the building should have been used as a pay-bill centre rather than an art gallery, as was planned until mid 2004. They argued that if the latter option was chosen a similar situation would happen as with the museum. Instead, shop-owners argued that if the building were used as a pay-bill centre or as a restaurant (owned by a famous chain in Mexico called Café Sanborns) the place would be more compatible with the surroundings of the building (*interview SLP_8*).

However, it is worth noting that this argument favoured the shop-owners' interests, as that use would attract more low income families interested in buying in their shops.

Box 9.3 provides another example based on the modification of the pavement height and the closure of streets for pedestrian use.

Box 9.3. The change of pavement height and the fear of street vehicle closure in Querétaro

As a way of promoting tourism in the city centre, the HCB thought of changing the height of the pavements, especially in those areas were plazas existed. The idea promoted the elimination of pavement to homogenise the level of the streets with the plaza. It aimed to make a more walker-friendly environment for locals and tourists.

The implication of these changes was related to the prohibition of vehicles across these streets, especially because of the danger to pedestrians. This implication caused the opposing reaction of the Association of Entrepreneurs of the Historic Centre who argued that the street vehicle closure affected sales or profits (*interview: SLP_12*).

The association sustained that by allowing vehicles to circulate along the streets motivated people to park and have a look at the shops. This argument was based on its past experience when street vendors occupied the streets by obstructing the vehicle flow. In the 1990s, street vending diminished the shop-owners' profits by more than 50% (reported by CANACO in *La Tribuna Universitaria,* 30/12/1997). So the change in the pavement height threatened sales once again.

Some opposing points of view were identified regarding the modification of a locality. Even though this type of conflict can be considered as a common problem that any locality may encounter, the peculiarities that small shops in Querétaro and SLP presented can cause further problems. The importance of local shops or businesses in being a niche of (self) employment and their relevance in number, converted them into important stakeholders regarding the city centre regeneration. In many aspects tourism and commerce allied to issues related to street vendor relocation; but in other aspects they were in disagreement, as was the case of modifying a place for tourist or local purposes. Just as the urban regime model suggests, the strong involvement of local entrepreneurs and chambers of commerce in political affairs cannot be denied by municipal authorities. Thus a conflict is encountered by government in trying to satisfy the needs of tourism on the one hand (as a new source of investment) and local commerce on the other (as a source of current employment and stability). The regeneration of a place and its compatibility between commerce and tourism may imply in itself a strategy for gentrification.

However, this opposes the UNESCO declarations that emphasise the need for creating an environment where different social groups can interact.

The three different rivalries exemplify how municipal governments encountered a competitive situation when decisions were taken to promote economic development. They encountered circumstances that might not sustain a global business environment by favouring small shop businesses rather than tourism or big retailers. But, at the same time, municipal strategies considered small and big businesses (either with national or external capital) as relevant participants within the urban policy processes. The diversity among businesses made municipal government seek for flexibilities to act in discretionary ways, which contradicted the discourse of full participation by acting in a repressive or exclusive mode towards urban popular groups or residents. As a result, municipal governments followed paradoxical strategies (Section 9.3) in order to cope with the obstacles encountered when attempting to promote inclusion and participation under a globalised economic context.

9.3. Municipal government as a broker

This section focuses on the paradoxical strategies that the two municipal governments followed in order to cope with top-down policies and bottom-up pressures (local interests and fear of social instability). These strategies are termed 'paradoxical' as they are contradictory in themselves but, despite their contradictory nature they are reflected in the strategies (and projects) carried out by municipal governments.

These paradoxical strategies arise out of the combination of three distinctive elements: repressive, instrumental and inclusive. Each of these strategies is associated with the three approaches to participation discussed in Chapter 8: expert councils (where historic-centre partnerships are included), neighbourhood boards and urban-popular negotiations. Figure 9.1 depicts the relationships between these types of strategies and the participatory

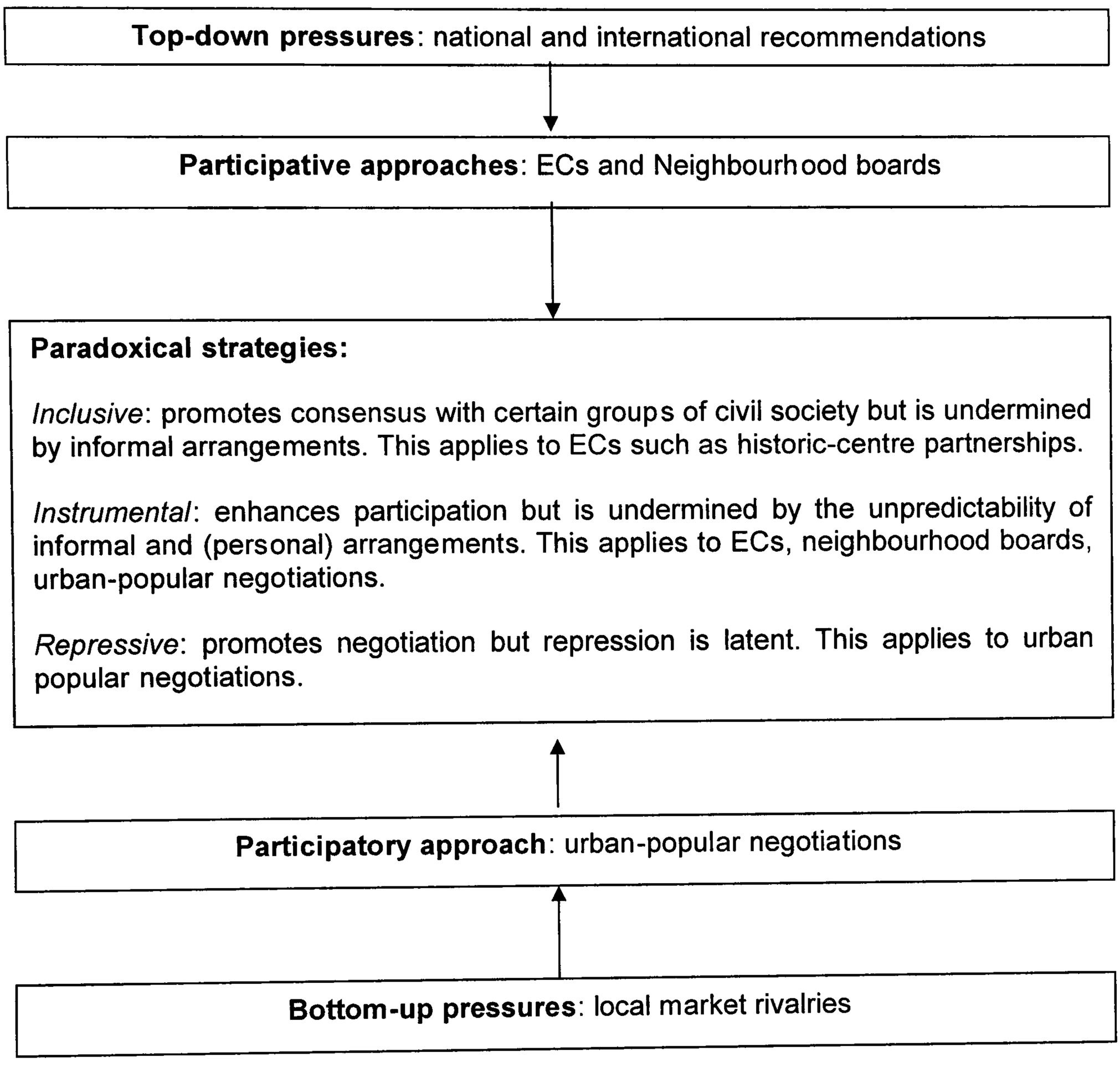
approaches with which municipal governments responded. Both, strategies and participatory approaches, are considered as a response to top-down policies and bottom-up pressures.

9.3.1. Repressive strategy. This strategy worked as a precedent to the negotiating sessions organised by municipal governments with opposing groups (see Appendix 1 – Sec.2). In the case of the historic centre of SLP and Querétaro, repression was used as an instrument to build the desired environment to start an urban regeneration policy. In the two case studies this policy was related to the increased importance of the city centre regeneration. This policy started as the need to control street vending accompanied by the need to improve the historic centre image.

In the case of Querétaro the environment of control was attained through the repression of strong social organisations like FIOZ and FCPU who had a strong presence in the historic centre by the end of the 1990s. Once this environment was attained, the *contingent* form of participation emerged as a way of illustrating a more participative and inclusive society regarding the city centre's regeneration. The more structured and planned negotiations with street vendors were observed in their relationship with the *Encuentros* subprogramme.

In the case of SLP the repression preceded the more tolerant organisational strategies that municipal government had created. These strategies were the Municipal Coordination for Citizen Attention (that complemented the decisions achieved by other participatory forms) and the negotiating sessions that existed during mid 2004 in order to standardise the street vendor stalls selling traditional food or handicrafts in the city centre.

Figure 9.1. Municipal response to top-down policies and bottom-up reactions in Querétaro and SLP



It can be argued that the negotiating schemes followed by the repressive actions of local government worked as compensation for the damage done to the social cohesion enjoyed by urban–popular groups. However, I argue that that was not the case as these schemes intended to achieve short-term projects that would help develop the regeneration policy. It cannot be denied that these negotiations had the potential for strengthening participation and the inclusion that repression tore apart; but this potential was not realised insofar as there existed segmentation within the whole system of participation (i.e. lack of articulation between historic-centre partnerships and street vendor organisations). This extreme reaction from repression to negotiation, passing through exclusion and segmentation from other forms of participatory organisations, reflects a part of these paradoxical strategies.

9.3.2. Instrumental strategy. This strategy is considered here as a mixture of exclusion and inclusion by municipal government applied in an unpredictable manner. Within this strategy, a sudden change of mind coming from governmental stakeholders was identified regarding the operation of the forms of neighbourhood participation. A first example of this unpredictability was observed within the flexibilities that municipal presidents enjoyed in determining the number of citizen councillors on the Municipal Council of Social Development in SLP. Another example was observed in the System of Social Participation Councils in Querétaro. In this case the unpredictability was observed in the decision making of the citizen consultative council where every final decision taken (regarding the expenditure of the budget coming from Branch 33) seemed to come from an unknown process (called 'black box' in Section 8.2.1). Finally, a third example was observed in the minimal support given by Mayor García's successor to a partnership like the Historic Centre Board, which weakened, as a result, the development of collaboration between public and private sectors.

It can be argued that this type of unpredictability emerges from the lack of specific operational rules, regulations and documented codes of conduct.

However, it can also be that the operational failures within these organisational structures are used like a 'carrot and stick' mechanism: the carrot being the open invitation for different social groups to participate in the policy decisions process of urban infrastructure, whilst the stick would be the flexibility or informal arrangements that municipal authorities use to limit the social participation scope that these organisational structures provide. This logic can also be applied to the case of street vending negotiations (which simulate to the old authoritarian clientelistic measures).

This carrot-stick mechanism reflects the pressures coming from above and below. Municipal governments react to international and national recommendations by promoting forms of participation that increase the awareness of civil society to participate. However, certain flexibilities are locally created to put limits on the scope of civil interventions that appear to threaten the municipal objectives related to urban development (for example, the limits put to the citizen councillors in the CMDS in deciding upon the funds that could be used for the construction of road networks).

9.3.3. Inclusive strategy. This strategy was observed in the analysis of expert councils (including historic-centre partnerships Chapters 7-8), where inclusive participation was aimed for. This inclusiveness ranged from a mere consultation process (i.e. where privileged individuals or organisations were invited to the HCB or IMPLAN's workshops in Querétaro) to a more complex inclusion, where the private sector or citizens were able to define the policy agenda that the municipality had to follow on issues related to the development of minor urban works or regeneration (i.e. the HCB and thematic councils in Querétaro helping to set the agenda for urban planning).

However, the existence of informal arrangements between public officers or politicians and members in the expert councils undermined the inclusive purpose as exclusive and personal arrangements prevailed. This was the case of the HCB and HCCC's member selection representing upper-middle class

organisations. The selection process coincided with the profile of local elite groups - which were distinguished and respected by the local society and which were also key in influencing the image for the city to develop. The informal arrangements were important in contributing to participatory segmentation (lack of articulation between participatory approaches and weak accountability among social groups).

By structuring the argument in terms of these paradoxical strategies, it has been analysed how municipal governments in SLP and Querétaro showed a contradictory approach in each particular form of participation. However, each strategy (repressive, instrumental, inclusive) seemed to be necessary when governments played a broker role in an arena where interests came from different directions.

These paradoxical strategies were used by the municipal governments in Querétaro and SLP to guide the relationships between interdependent stakeholders and organisations involved in the urban policy process (specifically, the city centre regeneration). Through a segmented system of participation municipal governments accentuated the differences between stakeholders (local elite and upper-middle classes) and those citizens who lacked the resources (skills and knowledge) needed for the formulation and implementation of the regeneration process.

The paradoxical strategies allowed municipal governments to steer the relationships towards desired outcomes that maintained the participative rhetoric, at the same time as they maintained an environment of urban entrepreneurship. This environment did not imply the elimination of what has been referred to as market rivalries. As a result, municipal governments sought to minimise obstacles in order to cope with the rivalries between privileged groups (commerce vs. tourism, formal vs. informal, small vs. big commercial firms). By excluding popular organisations that impacted on the city centre, the combination of paradoxical strategies helped to avoid unwanted effects, such as

a more inclusive participation of urban-popular groups into the historic-centre partnerships. Municipal governments sought to establish mechanisms to improve coordination between tiers of government and the private and public sectors (through the creation and modification of regulatory frameworks). But the lack of integration between participatory forms placed limits on the achievement of coordination and articulation.

The paradoxical strategies allowed municipal governments to cope with the pressures from above and bellow. In particular, segmented participation facilitated contradictory and discretionary decision-making in the formation and enactment of municipal strategies. Despite the negative impact of repression, the limits to citizen participation, and the predominant inclusion of privileged civil groups, the policies and projects that emerged were not inconsistent with the national and international discourse of accountability, participation and inclusion.

Conclusions

This chapter discussed how international policies had an impact upon municipal government through the regeneration policies that Querétaro and SLP have followed since the 1990s. The regeneration of their historic centres was seen as a niche for investment that helped to maintain the entrepreneurialism of these cities. The role of federal government in relation to these policies revealed part of the pro-activeness of the state which can be related to the task of linking what has been internationally established and what municipalities have to meet in order to be in accordance with the former. This task, in other words, is a way of interpreting the trend of *internationalisation* of the state.

Nevertheless the operational failures within the *organisational structures* that municipalities created, revealed ways in which the action of municipal governments can undermine the extent of accountability, participation and inclusion. Furthermore, *market rivalries* contributed to municipal governments'

paradoxical strategies which were reflected in the approaches adopted in seeking to reconcile top-down polices and bottom-up pressures. Paradoxical strategies were developed in order to find a balance, between both pressures.

It is concluded that with the use of these paradoxical strategies, municipal governments in Querétaro and SLP played a broker role in promoting a regeneration policy in the city centre. On the one hand, they were influenced by top-down policies to cope with global economic and political changes. On the other hand, they had to respond to local operational structures, interests and understandings to maintain economic and political stability. Inclusion and participation were promoted, but they encountered constant limitations that favoured those groups that sustained the locality's 'weak' urban entrepreneurialism and its required organisational structures.

The segmentation between different forms of participation and the lack of coordination between different municipal bodies reflected a strategy used to find a balance between pressures. This strategy was based on the flexibility that governmental stakeholders had to change the rules of the game with regards to citizen participation within a context of urban entrepreneurialism. Although it was not proved how urban entrepreneurialism had a direct relation to globalisation, there were two factors that tend to support this relationship. The first factor, was the development of trade and services (tourism and leisure businesses and retailers); and the second was the modification of the locality and the construction of organisational structures. The modification of the locality (city centre regeneration) was important as it housed the development of trade and service markets. The construction of organisational structures, such as regeneration partnerships and other forms of participation, helped to enhance the municipality's urban planning and development.

The trends of urban entrepreneurialism, discussed throughout Chapters 7-9 have reflected the changes that SLP and Querétaro experienced with regard to their organisational structures and their impact upon their historic centres.

These changes have been subject to the reconfiguration of the state which has been accompanied by a discourse of participation, underlining the importance of the locality and the increased but limited inclusion of civil (privileged) society.

Chapter 10 - Conclusions

This chapter is divided into three parts: The first part summarises the argument of the thesis; the second considers the strengths and contributions of the thesis; and the final part reflects upon its limitations and how these can be addressed in developing future research.

10.1. The argument summarised

I began by discussing the way in which neoliberalism was introduced by the Mexican federal government as an economic strategy that helped to overcome the 1982 financial crisis. The implementation of neoliberal policies (i.e. liberalisation of trade and interest rates, fiscal and monetary reforms, privatisation) prompted Mexico's economic integration to the global market economy. NAFTA was considered a critical point in the redirection of Mexico's economy. It was argued that neoliberalism had an impact not only upon the economy but also upon political and social organisational structures and relationships. Accompanying these neoliberal policies, a democratisation process took place, which also was a response to the democratic aspirations that civil society expressed through various social movements against an authoritarian regime. The combination of neoliberalism with democratisation had contributed to the state's reconfiguration. This reconfiguration consisted of a shift towards the national-state, characterised by a multiple production of organisational scales (supranational, national, subnational) and by state pro-activeness (coordinating networks, initiating strategies and policies that help to adapt the country to a global context, while inheriting past forms of organisation).

By considering, first, the liberal democracy perspective, it was argued that Mexico's democratisation process emphasised the creation of electoral

institutions but that these were enhanced through civil society freedom of association and expression, the state's reforms upon constitutional rules and accountability, and the autonomy of the market economy. Second, considering democracy in a global context, it was recognised how the reconfiguration of the state had implications upon the structure of social class and its shift away from the concepts of state-centrism and traditional territoriality. This second perspective helped to contextualise Mexico's democratisation process within the process of globalisation to which the country was subject.

State reconfiguration was analysed at the urban scale; particularly in relation to Jessop's description of the three trends characterising the entrepreneurial city and its relationship with the state (destatisation of the political regime, denationalisation of statehood, internationalisation of the state). The creation of new organisational forms such as partnerships between government and other non-public stakeholders was considered a phenomenon that promoted urban entrepreneurship. Mexico's decentralisation policies favoured the development of urban governments. This type of government possessed the material and human resources to develop accountability, streamlined administrations and a fiscal policy that could help municipalities achieve more autonomy. This autonomy aimed to integrate urban municipalities into the rhythm of the global urban system. However, the dependence of urban municipalities on other tiers of government was evident, especially the dependence on federal government. Federal government's importance was threefold: (a) in providing financial resources for the municipalities to develop urban infrastructure; (b) in bypassing subnational structures when they reflected a weak coordinating capacity; and (c) in creating national regulatory frameworks that met with international organisations' interests. These points underlined the proactive character of federal government which promoted organisational forms such as public-private partnerships through subtle techniques of steering (i.e. regulatory and policy frameworks). These techniques aimed to create a balance between the supranational recommendations and subnational contexts.

By being aware of the ambiguity of governance theory, the thesis categorised the term into two: general and particular. In the former sense, governance was used to close the analytical gap between the macro process (democratisation, reconfiguration of the state) and the micro process (partnerships, forms of political participation, informal and formal arrangements). In the latter sense, the thesis interpreted governance as a process nested within democratisation. Political participation and accountability worked as common denominators to link insights from the literature on governance (in its p articular s ense) and democracy. In particular, the implementation of governance through partnerships was emphasised. However, the existence of governance failures (domination of stakeholders over others, lack of accountability, weak coordinating capacity) prompted me to use other conceptual tools. Urban regimes underlined the importance of stakeholders' resources, and the informal arrangements among them, within policymaking. Political participation highlighted the significance of accountability within the initiatives created by the state and the political opportunities built by social movements. Accountability involved open informational processes to the public and transparency in decision making. New institutionalism underscored the importance of analysing simultaneously informal rules and formal conventions, within a changing context where old and new institutions coexist.

Drawing on conceptual approaches concerning the reconfiguration of the state at the urban level, I developed a series of theoretical propositions to structure my analysis of partnerships and participation in Mexican urban politics:

- Public-private partnerships are organisational forms that express a tendency towards urban governance
- Municipal government prefers public-private partnerships over other forms of participation as a means to promote the locality's urban entrepreneurship
- Municipal governments play a brokerage role to maintain organisational forms of 'governance' (promoted by national and international standards) within a context of specific local pressures.

These propositions resulted from bridging the macro level and the meso level processes. These propositions led to a discussion of the Mexican federal government's shift towards an intermediary role between international forums and subnational governments and the interventionist nature of all levels of government, aiming to guarantee an urban entrepreneurial infrastructure and environment.

Based on this framework, I chose as case studies the historic centres of Querétaro and San Luis Potosí and three approaches of political participation within these areas (regeneration partnerships, neighbourhood boards and urban-popular negotiations with street vendor organisations). These municipalities were considered 'typical cases'. They were selected based on the 'opportunity to learn' about urban entrepreneurship (geographical location, type of economic investment), and the 'how' and 'why' of civil and social organisations playing a role within this type of partnership (previous experiences of collaboration between sectors and history of collective action). The data collection was carried out through the methods of documentary review, semi-structured interviews and non-participatory observation. The data provided information on decentralisation projects promoting regeneration partnerships; the participation of civil organisations within these partnerships; and the nature of the partnerships.

The data were categorised and contextualised according to the theoretical propositions, which at the same time were related to the three trends characterising entrepreneurial cities. The analysis of the findings underscores a close linkage among the three trends, which seem to depend on and enhance the development of each other.

The destatisation of the political regime and its link to historic-centre regeneration partnerships. This trend involved the redrawing of the public and private divide and the re-articulation of the relationship between organisations at various state levels. This trend was analysed at the urban scale drawing upon

governance theories. In particular, its implementation was studied through Querétaro and SLP's historic-centre regeneration partnerships. The partnerships showed the strong role of federal government as their promoter (i.e. federal laws that prompted local regulations). The promotion of these historic centres was considered a niche for the municipality to develop. This development involved the establishment of innovative organisational structures in which the public and private sectors were able to collaborate, such as the historic-centre partnerships. The strategic selection of the members of the historic centre partnerships (locally prestigious individuals), in addition to the projects that they carried out (promoting urban re-imaging) highlighted a *weak* entrepreneurship. The promotion of governance as partnerships was observed at the same time that traditional political and social relations prevailed, including: (1) informal arrangements among the local elite, which created a limited accountability between the members of the partnerships and the rest of the public; (2) strong interventionism of federal and state governments over municipal government in the promotion of regeneration partnerships; and (3) a lack of involvement of the private sector when social conflict had the potential to disrupt the actions of the partnerships, leading as a result, to some governmental intervention. The operation of these partnerships did not ultimately enhance the participation of other civil groups nor accountability in the decision making of regeneration polices. However, the partnerships' creation and operation was relevant for legitimising the discourse of participation, which was expressed in collaborative, accountable and inclusive terms. Participation formed part of the institutions promoting urban entrepreneurship, which had been neglected by the institutions of the old regime.

The denationalisation of statehood and its linkage with municipal forms of participation. This trend involved the federal (central) government conceding capacities to societal actors or to peripheral (supra/subnational) levels of government (i.e. municipal governments). These capacities can be reflected in the promotion of decentralisation policies, such as the Mexican decentralised planning system, which had started to be implemented since the 1980s. As a

result, new agencies such as the COPLADEs and COPLADEMs emerged. It was argued that these agencies were the broader umbrella covering municipal, *official* approaches to political participation such as expert councils or committees (ECs) and neighbourhood boards. Parallel to the official category, *contingent* negotiations between municipal governments and urban-popular groups (street vendors) existed. However, based on the case studies' experience, a social segmentation was created through the promotion of all these approaches. This participative segmentation responded partly to the municipal governments' interests in promoting urban entrepreneurship, at the same time as promoting the discourse of participative democracy. This segmentation also reflected differences in the interests of citizens participating (upper-middle class groups, neighbourhood boards, and popular groups). These differences had an impact upon the approaches to participation existing in the historic centres' policymaking. Participation tended to follow the rhetoric of inclusion, which was associated with the legacies of particular social movements: *Navismo* in the case of SLP; upper and middle classes and popular groups in both case studies. Governmental bodies (at all levels) promoted and implemented municipal participatory systems; however, a lack of coordination between the different forms of participation prevailed. The lack of coordination enhanced the segmented system of participation observed through administrative limitations within regulatory frameworks and the existence of informal arrangements. These aspects undermined accountability when based on the municipal presidents' perceptions of participation. These perceptions, on the one hand, tended to include private-sector stakeholders in the regeneration policies, which created, on the other hand, low levels of trust between municipal government and street vendors. In other words, this segmented system of participation seemed to be based on class: local stakeholders (professionals, experts) versus ordinary citizens (basic education); municipal government being a primary agent in supporting or enhancing social segregation. The strategy of municipal governments in dealing with segmented forms of participation, in addition to the existence of informal arrangements that undermined accountability, simulated the strategies followed by the authoritarian regime.

The internationalisation of the national-state and its relation to municipal governments' strategies to cope with local pressures. This trend involved the federal government conceding capacities to supranational entities or the adaptation of international recommendations, at the local level, promoted by federal government. This adaptation was observed through federal government's formulation of policies and programmes related to issues on decentralisation and participation. An example was the guidelines for municipal governments to regenerate urban areas in which civil society could participate. The municipalities of Querétaro and SLP followed national guidelines and international recommendations by promoting their historic centres. This reaction underlined themes of accountability, prevalence of the rule of law, participation and collaboration between different tiers of government and between sectors. Nevertheless, the role of federal bodies was significant in defining the guidelines that the municipalities followed with regard to conservation, urban planning, multi-level agreements, laws, and the forms of participation (official type). Municipal governments encountered challenges (failures in organisational structures and local market rivalries) in order to adapt themselves to top-down declarations. Organisational failures undermined the process of accountability and inclusion. Even though a greater degree of pluralism was observed in regeneration policies than under an authoritarian regime, such pluralism (restricted in many ways) was subject to dominant stakeholders' interests and their awareness of participatory, democratic principles. The market rivalries between different local groups (informal vs. formal, commerce vs. tourism, big vs. small shops) maintained a level of ambiguity regarding the definition of the city centres' space. A common denominator, however, seemed to satisfy the upper and middle classes; this was the strategy of excluding street vendor groups from historic-centre policy decisions. The *paradoxical strategies* of municipal governments (inclusive, instrumental, repressive) worked adequately through the segmented system of participation as long as each strategy was applied to a specific social group (upper-middle class groups, neighbourhood boards, popular groups). Finally, it was argued that the paradoxical strategies

were a useful mechanism that allowed municipal governments to cope with the pressures from above (national and international) and below (local interest groups).

10.2. The contributions of the thesis

To understand participation within urban governance I sought to create a linkage between the macro and micro level processes through the theoretical premises of governance. The macro level processes, such as the reconfiguration of the state and democratisation were considered of structural character. These processes were contextualised in terms of the existence of global modes of capital production. Within this context a tendency to create spaces beyond the concepts of state centrism and territoriality was analysed. The macro level processes were studied through theoretical approaches of democratisation, political economy and urbanisation.

In building a bridge between the macro and micro processes, the research was based on the local level and how the reconfiguration of the national-state was related to both levels: supranational and subnational. The supranational level was studied through formal reports and recommendations stated by international organisations (i.e. World Bank, UNESCO). The subnational level was studied through the regeneration of the historic centres of Querétaro and San Luis Potosí. This thesis demonstrates the value and importance of governance as a theoretical tool that is able to link different dimensions of analysis (including various levels of spaces, institutions, organisations and agents).

In focusing upon micro level processes, I found it useful to draw also upon theoretical insights from urban regimes, political participation and new institutionalism. These premises were particularly relevant for the analysis of agency. They also served to highlight three concepts that were relevant

throughout the argument of the thesis: accountability, inclusion and informal arrangements.

Accountability referred to the creation of open information processes to the public and the transparency of policymaking, in particular, regarding the regeneration of the historic centres of Querétaro and SLP. Inclusion referred to the extent to which different types of civil groups (upper and middle classes, neighbourhood boards and urban-popular groups) were involved in the regeneration of the historic centre. These two concepts were considered in relation to the democratisation process to which Mexico had been subject. These concepts were identified through the spaces and institutions created by government (at all levels) and by past social movements. The governmental initiatives were the municipal participatory systems (linked to Branch 33), in which open, transparent performance and financial management were sought (this included the historic-centre regeneration partnerships and the neighbourhood boards). The social movements' created structural opportunities through their members' representation within political parties or through their transformation into legally recognised civil organisations involved in policymaking (i.e. members in the ECs and street vendors' more formal but still limited negotiations with municipal authorities). Accountability and inclusion have been concepts commonly mentioned in rhetorical terms (laws, reports, written and oral text), but they have been limited by practices in which the dominance of some stakeholders over others and the exclusive and informal arrangements between dominant stakeholders prevailed. These limitations were interpreted as the prevalence of old institutions within the creation of a new institutional context of local governance.

In combining insights from governance and other theories that focused upon micro level process, a serious consideration was given to the place of partnerships within the broader context of political participation. Even though it is true that public-private partnerships promote participation of other stakeholders that were previously excluded from policymaking, it was also

focused that partnerships could create obstacles that undermined the principles of inclusion and accountability. The lack of definition in the codes of practice and regulations, and the negative effects of informal arrangements prevailing between social relations, were some of the reasons that limited their performance. Thus it is important not to simply equate partnerships with participatory democracy principles, as seemed to be the cases in the municipalities of Querétaro and SLP which, in response to the decentralised planning system, tended to overestimate the expert councils' role.

10.3. The approach of the thesis developed further

It is possible to identify some limitations of the thesis, which can be addressed further through the potential for extending the scope of the methodology and by considering other theoretical arguments.

10.3.1. Methodological considerations. The thesis was limited in terms of developing the linguistic dimension of a formal discourse analysis. The thesis used the 'social practice' dimension of discourse analysis to identify some of the mechanisms that political institutions (i.e. partnerships and a segmented participation system) pursued to shape practices, which included the reproduction of 'collaboration', 'coordination' and 'participation', all of which favoured ideas supporting governance.

A source of information that was not analysed in detail was local newspapers that captured many of the events relevant to the case studies. Instead, other documentary sources were used such as official documents, public and private reports, laws and regulations and specific newspaper articles that provided evidence of the events studied. A more thorough and broader newspaper analysis could provide greater information on how local groups understood or interpreted the regeneration policies and help to identify the social networks that supported informal arrangements and the cliques between elite groups.

Furthermore, informants such as journalists and people involved in the media could provide additional perspectives and evidence. This source of information was under-used due to constraints of time and human resources.

The thesis could have given further consideration to other contextual variables that had an impact on how participation developed within urban governance. These variables were first, the influence of the Catholic Church upon the political and cultural identity in Querétaro and San Luis Potosí; second the role of political parties at the local level, especially with regard to their understanding of participation, and the mechanisms to promote it; and third the role of the municipal congress which, in the discourse of decentralisation and horizontal counterweights between governmental powers, attains great relevance. The three types of variables were not ignored by the thesis, but time constraints limited the scope of the analysis.

Finally, the argument of the thesis was based on a two case-study approach. This raises questions about the analysis of the theoretical propositions in relation to other urban municipalities. Querétaro and SLP were considered 'typical' cases with characteristics that could be found in other medium cities, especially in the Bajío Region. Furthermore city-centre regeneration projects do not only comprise historic centres of national and world value; such projects also involve modern style city centres and areas outside of the city centre, many of which are probably run by public-private partnerships. While the case studies provide good examples of the issues at stake, the research propositions could be used to analyse changes encountered in other cities and indeed in other countries. Comparison between further cases is of particular interest given the context on globalisation that seems to homogenise economic, political and social relations between localities in and across different countries.

10.3.2. Other theoretical perspectives. The coexistence of old institutions (organisations, beliefs, formal and informal arrangements) with new institutions was relevant throughout the thesis. The thesis identified institutional elements

created during authoritarian times within the context of the municipalities of Querétaro and SLP between 1997 and 2004. These elements were: cooptation, informal arrangements, presidentialism, and the lack of coordination between municipal bodies. However, the thesis could not provide a detailed analysis of the social and political relations emerging in the transformative process of new institutions arising and old institutions decaying. The following paragraphs suggest how these four elements can be developed further in the context of debates about governance.

The political approaches to participation, such as ECs and neighbourhood boards, could be interpreted as new forms of co-opting civil society. It could be argued that through these approaches government (at all levels) is trying to legitimise governance strategies by creating different expert councils, partnerships, neighbourhood boards, and informal negotiations. During the authoritarian regime, co-optation of certain social groups was used as a mechanism to legitimise the state's internal organisation and policy strategies. It is then significant to analyse further the distribution of power between the parties involved in the policymaking process; for example, by analysing if the decisions are made unilaterally by the local traditional elite or if the members of this elite have changed between the authoritarian stage and the period of study. Another point that could be assessed is the difference between co-optation strategies that political stakeholders have created (as a response to state reconfiguration – i.e. decentralisation policies), and the government's (at all levels) responsibility for promoting the lines of action for a more participatory democracy (which has also respond to the legacies of social movements - i.e. *Navismo*). This thesis considered that the creation of COLPADEMs in Querétaro and SLP were projects in which government promoted citizen participation. However, the findings showed that internal mechanisms and arrangements had limited this participation. The thesis was not able to asses the advantages and disadvantages of having an interventionist government sponsoring participation, within a context where dynamic and global social relations were being developed.

The thesis identified the existence of informal arrangements among the local elite (politicians and private stakeholders) in the historic centre regeneration policies. Debates on networks as a mode of governance propose that informal arrangements can create positive results by increasing trust and thus achieving specific projects or goals that otherwise would not have been possible to attain. However, this thesis showed that informal arrangements can have a negative effect when these are exclusive to the local elite and, as a consequence, undermine accountability and transparency to the rest of the public. This is paradoxical insofar as accountability and transparency are also considered as part of the benefits that governance can provide. It is precisely the negative effects of informal arrangements that simulate the relationships within the authoritarian regime. Hence, it is interesting to develop further an analysis of the distinction between the positive and negative effects of informal arrangements. This might contribute to the debate on the forms that should be developed in order to accentuate the positive effects of networks in policymaking.

Presidentialism in authoritarian times was partly characterised as an individual leader being able to govern arbitrarily, unconstrained by party structures, parliamentary processes of legal or bureaucratic norms. The freedom that the city mayor or state governors in Querétaro and SLP had in promoting different approaches to participation (at the same time that new obstacles were created to limit the participation of ordinary citizens in regeneration policymaking), raises questions about the extent to which the local executive is acting arbitrarily despite local regulations, national programmes, and international recommendations promoting an inclusive participatory environment. More detailed analyses could be developed in order to identify the type of leadership that local politicians have to create in order to cope with top-down and bottom-up pressures. Maybe some aspects of presidentialism might be required in order to cope with all these pressures. Thus a combination of presidentialism with entrepreneurial leadership could be assessed as a mechanism to bind multiple local contrasts within a global urban network.

The thesis identified the lack of coordinated capacity among participatory bodies (ECs, neighbourhood boards, urban-popular negotiations). This was partly due to the lack of capacity building of municipal and state governments to create organisational communication or organisational networks. This can be justified as a municipal governments' lack of experience in dealing with a more responsive administration (especially since the national decentralised system started to be implemented). However, it would be interesting to investigate whether this uncoordinated system is an accidental result due to a lack of capacity building or whether it is a legacy of old institutions where weak communication between governmental bodies and among civil organisations was created deliberately, in order to support co-option strategies. In the cases analysed here, the rhetoric of participation and urban entrepreneurialism was promoted, but the lack of coordination between municipal bodies appeared to enhance political exclusion and weak entrepreneurialism, simulating to some degree certain authoritarian strategies.

It would be interesting to explore the potential of a neo-Gramscian approach to understand the (re)configuration of local governance in Mexico, in particular through the concept of 'hegemony' understood as a worldview of ideological control and socialisation that can be diffused into every area of daily life. According to this approach the distribution and implementation of power is given further attention. This thesis underlined that inequalities prevailed between partners. The thesis also argued that power at the local level was embedded in socio-political institutions, which are partly shaped by top-down guidelines and institutional templates circulating in politics and culture. However, the thesis was not able to analyse in detail how the ability of the local elite made 'ordinary citizens' accept that their interests lay in regenerating the city centre; nor if the subordinate classes would have acted differently if the local elite had not implemented mechanisms for regeneration. By developing these types of questions, new tools might reveal how informal arrangements operate and offer a better understanding of the effects of uncoordinated participatory bodies.

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Appendix 1. Social mobilisations and their impact on national and local politics in Querétaro and SLP

This appendix contains examples concerning the relationship between social mobilisations and political parties, in their attempt to promote political participation in policymaking. These social mobilisations are categorised into three groups: social movements with an impact on national politics, urban-popular mobilisations, and middle-class mobilisations; the latter two having a greater impact at the local level

Section 1. Social movements and their impact on national politics

The *Barzón* Movement is a first example. It represented the interests of the urban and rural middle class. This class was affected by the economic crisis of the mid 1990s which caused currency devaluation and, among other things, the constraint to financial credits and high interest rates, affecting small and medium enterprises. Even though the *Barzón* started in northern states of the country, the strength gained after the urban middle class of the city of Querétaro joined, gave to the movement a significant national recognition. Through the urban faction of the movement, a renegotiation of the exorbitant and un-payable debts of small and medium entrepreneurs was achieved, making these debts to represent more moderate amounts (Lara, 2002). After this achievement, the movement's impact decreased; while its leaders joined the PRD to counterweight the policy decisions of President Zedillo that favoured a neoliberal economy, considered by the *barzonistas* as an attack against national sovereignty (Shadlen, 2001). Even though the participation in the movement was very instrumentalist (searching for immediate interests), it was able to increase a social awareness of issues related to citizen participation in policymaking.

The *Navista* Movement, a second example, has been known for having two phases. First, it originated in the end of the 1950s when its leader Salvador

Nava fought against the political boss and governor, Gonzalo N. de los Santos in San Luis Potosi. This movement aimed to weaken de los Santos' political power which imposed its own people as candidates, controlled the press, and violently repressed those who opposed the state government regime. Despite that federal government was aware of the de los Santos' authoritarianism, it did not seem to put much attention to it as he was a good ally for attracting votes for the *priista* national regime. However, the rivalry between President Adolfo López Mateos (1959-1964) and de los Santos, helped Mr. Nava to achieve the municipal presidency of San Luis Potosi in 1958 (Bezdek, 1996).

During Nava's period as mayor, he corrected the abuses generated by the de los Santos regarding financial issues. As a result, an accountability policy began by publishing the administration's expenditures outside the city hall. Additionally, the coverage and improvement of urban services was attained regarding drainage, electrical services, running water, and paved streets (Bezdek, 1996). These successful attainments, and the apparent support by federal government, promoted Nava to look for a place as a governor candidate within the PRI. However, the National PRI Committee denied its support. *Navistas* demonstrated against the candidate appointed by federal government, and as a result Mr. Nava was imprisoned and many of the movement's members repressed.

The second phase began in the early 1980s when Mr. Nava mobilised people against corrupt acts of Governor Carlos Jongitud (1979-1984). Mr. Jongitud was not liked by the urban middle class as he represented the interests of the biggest teacher's union in the country (Foweraker, 1993). Thus his activities were more focused on the interests of the union rather than on the state's urban needs; additionally his thirst of money increased corrupt deals within his administration (Bezdek, 1996; Pansters, 1996). Consequently, Salvador Nava searched to confront Mr. Jongitud by becoming SLP's mayor for a second time.

It is important to notice how the winning of municipal elections in 1958 and 1982 gave Mr. Nava an opportunity to confront state government and, indirectly, the national regime. During the first phase Mr. Nava fought against Governor de los Santos by becoming mayor during a *priista* regime. During the second stage, Nava became mayor but this time supported by the coalition, between the PAN and the conservative (religious) party the PDM, against the *priista* regime.

In 1991, Mr. Nava became the opposition candidate for state government, this time supported by a coalition with the PAN, PDM, and PRD. The multiplicity of allies turned *Navismo* into an important mobilisation which aimed to weaken the centralist and interventionist role of national government. This movement was contemporary to the national democratisation discourse, in which the country was living at the time, as well as with the neoliberal policies strongly promoted by the Salinas presidency. The 1991 elections turned against Mr. Nava, favouring instead the *priista* candidate Fausto Zapata. These results caused a tremendous uproar at state and national levels as it was concluded that there was a clear electoral fraud (Puente et al., 1993). The social and political pressure from this national mobilisation rejected Mr. Zapata's victory and instead two interim governors were postulated between 1991 and 1993. In 1993, new state elections were organised, where the winner turned out to be Horacio Sánchez from the PRI.[114]

Mr. Nava's strong support in 1991 was due to the support from the upper-middle class mobilisation favouring a multiparty democracy across the country, and the experience attained from the municipal administrations that he represented from 1983-1985, and from his co-partner, Guillermo Pizzuto, in . 1989-1991.

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[114] In 1992 Nava died and thus a movement's fragmentation emerged. It is worth mentioning that family relations existed between the priista Governor Sánchez and the Navista movement. The link was the governor's wife, who was Mr. Nava's daughter, and who participated during the movement's crucial events.

The nucleus of *Navismo* was neighbourhood communities and groups, thus they prompted Mr. Pizzuto to focus upon the improvement of their quality of life. The marginalised conditions in which central and peripheral neighbourhoods lived in, led these communities to participate in the movement. The communities argued that their marginalised status was due to the past governors' corruption and the narrowed vision of national policies upon local needs (Castillo, 2002; Puente et al, 1993).

The linkage of *Navismo* between its leaders and the communities and neighbourhoods, prompted Pizzuto to publish for the first time the municipal regulation for the integration and operation of the citizen and auxiliary organs. This regulation enhanced the creation of the neighbourhood improvement boards (NIB) as the core organs to collaborate with municipal government throughout neighbour participation, indistinctive from social position, political affiliation or religion (RNIB, 1990). This regulation explicitly states that the NIBs operate to improve their community. It also states the formation of the NIBs and their relationship with the correspondent municipal department. However, it was not until 1997 that the NIBs started to operate following a more detailed regulation.

After Mr. Pizzuto, two more active members of the movement became city mayors, nevertheless they were candidates representing the PAN only: Mario Leal (1991-1994) and Alejandro Zapata (1997-2000). The administrative period between the latter two mayors was governed by a *priista* mayor who won the elections as a result of the strong socio-political repression during the Leal administration. Even though Mr. Leal came from *Navista* origins, his administration was considered harsh when compared to the one of Pizzuto's. He was criticised for doing little for the community and in some cases he was considered as an elitist mayor (*interview SLP_20*). His interest in abolishing corruption and bringing forward accountability (a principle that *Navismo* pursued), acted strongly against clientelism, which existed between popular organisations (i.e. street vendors) and municipal and state governments. The

radical repression that Mayor Leal and Governor Sánchez carried out against street vendors, in the city centre in 1993, brought to both high political costs on their political careers (i.e. lack of mass support).

The administration of Mayor Zapata was more successful than that of Mr. Leal. He was more careful in negotiating simultaneously with local elite and popular groups. Mayor Zapata promoted municipal planning through collaboration between the public and private sectors, especially regarding urban development. Mr. Zapata was also careful to make society participative in this planning by improving the NIBs system. It was within his administration that a differentiation was made between citizen bodies (i.e. NIBs) from auxiliary bodies (i.e. partnerships). The most relevant element in his administration was the formal link built between the NIBs and the Municipal Social Development Council. Through this link 'ordinary' citizens were able to participate in the decisions concerning urban infrastructure (*interviews SLP_2, SLP_12)*

Despite these two last mayors followed more the political party's interests rather than the core values of *Navismo* (*interviews SLP_5, SLP_6*), it is interesting to notice how they implemented initial policies to fight corruption and social exclusion. These policies were not completely free from political and personal interests; however, it can be argued that they became part of the political agenda due to the background that the mayors had.

It has been stated (Pansters, 1996) that the movement was a multi-class mobilisation as it enclosed people from different social classes from a wide range of political interests. However, I observed that after the movement reached its peak, the class origin became a factor that characterised individuals for being more influential in the new political sphere. People such as Salvador Nava, Guillermo Pizzuto, Mario Leal and Alejandro Zapata came from local middle-class families related to professional and business groups. In the case of Nava, his family background related to the medical elite in SLP, gave him significant credibility, especially as it gestated from the SLP Autonomous

University.[115] It even has been mentioned that the medical elite has had some type of link with the local estate business.

A similar case was observed with Mr. Pizzuto and Mr. Leal, who were related to the local business sector.[116] However, the alliance with the PRD in 1991 diminished the support that strong businesses gave to *Navismo* due to a lack of trust upon the PRD's leader, Cuauhtémoc Cárdenas. By the mid 1990s, as the *Navistas* started to merge with the PAN, the business' financial support benefited the party, rather than the movement (*interview SLP_6*).

Section 2. Popular-urban mobilisations

A third example is the *Independent Front of Zapatista Organisations (FIOS/Z).* The Front originated at the *Vista Alegre Maxei* neighbourhood in the city of Querétaro, by the end of the 1980s. It aimed to offer basic urban services to its people which were highly marginalised. This neighbourhood started as an irregular land due to the illegal settlements of labour migration and land-speculation costs that the industrialisation process had brought to Querétaro in the end of the 1960s. The mobilisation was led by middle-class school teachers. FIOS encountered an internal fragmentation which created two versions of the mobilisation: FIOS and FIOZ. The former allied with the PRD, whereas the latter kept its political independence; it is the second stream on which this subsection focuses.

In 1994 a series of demonstrations were organised by FIOS/Z just in front of the city hall. The demands in those days were related mainly with the provisions of urban services that marginalised communities in the peripheries of the city

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[115] From the university various professional and student mobilisations were organised by the end of the 1950s against the fiefdom of de los Santos. Salvador Nava initially headed the Federation of Professionals and Intellectuals of SLP.

[116] Especially Pizzuto's post as president of CANACO gave him part of the entrepreneurial support, a similar case happened to Mario Leal as a local owner of a car appliances firm.

encountered. The demands that FIOS/Z made during those demonstrations and the radical way that they demonstrated were not well accepted by the conservative middle class and local businesses (especially those in the city centre). These sectors of society stated their dissatisfaction with the irregular city growth, caused partly by illegal settlers such as FIOZ. Also, middle-class groups complained about FIOZ's lack of hygiene as its members used the street as public toilets during their camping nights in the main plaza (St. Claire, 2002).

In 1998, a crucial political decision finished the FIOZ mobilisation and, indirectly, this decision affected many of the street vendor organisations established in the city centre. In 1997, both state and municipal governments of Querétaro began to be represented by the PAN. They followed the conception that autonomous popular organisations should be dismantled and, instead, individual citizens and legally registered organisations (i.e. civil associations, NGOs, business chambers) were to be the means in which society had to communicate with government.

During the official visit of President Zedillo to the City of Querétaro, in February 1998, various popular organisations representing street vendors and marginalised communities decided to demonstrate outside the venue where the president's cabinet and state and municipal governments were gathered. After the event was over, the official version stated that, riots organised by FIOZ members attacked the coaches transporting federal ministers. Organisations like FIOZ and the Felipe Carrillo Puerto Union (FCPU), in that occasion, demonstrated against Governor Loyola's political negotiations which opposed to the clientelistic methods of the *priista* regime. These methods consisted in the delivery of goods and services to organisation leaders to obtain in exchange their political support for the PRI. It is important to mention that neither FIOZ nor the FCPU had links to the PRI. However, the local *panista* governments seemed to categorise all these groups as one same thing. Hence the sudden change in the way negotiations were carried out provoked popular groups to

demonstrate against municipal and state governments during an event of federal impact.

This demonstration became historical for Querétaro as it has been considered a city where political stability and negotiations prevail. This event prompted many conservative Queretans (middle and upper classes, businesses and Church) to demand local governments for political control to achieve social order and respect for the rule of law (*Diario de Querétaro*, 11/02/1998). Consequently, by the end of 1998, FIOZ main leaders were imprisoned.

At the same time, state and municipal governments began working together in a policy that controlled street vending in the city centre. Street vending, since the early 1990s, became a social problem due to the confrontations that established shops, neighbours and businesses had against street vendor organisations. On the one hand, the collaboration between state and municipal governments was important to control this phenomenon, especially because the orders given to police or security bodies during that time came from state government. Furthermore, the detention or imprisonment of any of the vendor leaders needed as well of the State Justice Attorney. Thus if municipal government wanted to have an effective policy, it needed of a close collaboration with state government.

On the other hand, both the imprisonment of the FIOZ leaders and the close collaboration between subnational governments in ordering and controlling street vending, sowed fear to various other organisations. Fear consisted on dismantling organisations, being the most affected FIOZ and *Los Palomos* (*interview QRO_1*). Others as the FTEQ and *Los Triquis* were weakened, and to some extent the FCPU. However, the FCPU's large number of members nationwide and its range of sectors including peasants and popular groups,

such as street vendors and settlers of unregulated lands, gave the organisation the force to overcome the dismantling threats (*interview QRO_8*).[117]

Immediately after the period of threats and repression, the municipal administration started a phase of peace and negotiation with street vendors. This political situation helped Mayor Garrido to attain a pro-participatory and partnership discourse, continued by the 2000-03 administration.

A fourth example is the *Antorchista Movement (AM),* which considers itself as a political movement with direct relationship to the PRI. The mobilisation started in the mid 1970s in the state of Puebla to help marginalised communities to develop. However, its links with the PRI allowed the AM to grow nationwide, becoming an important community mobilisation in the states of Querétaro and SLP.

The AM's organisation is divided in sectors: peasant, urban (street vendors and marginalised settlers), and education. In Querétaro State the stronger sectors were the peasantry and the urban marginalised communities; however, their demands were overlooked, and to certain degree ignored by the state administration, especially during 2003-09 (www.antorchacampesina.org.mx/articulos/acm/2004). The AM's urban sector in SLP played a more active role in trying to push certain policy implementations to its favour. AM street vendors were important agents in the city centre as it was the largest organisation in the area by 2004 (whereas in Querétaro was the FCPU). However, AM vendors were not as many in 1993 when the repression against street vendors was carried out. The interesting thing is that the repression of 1993 did not stop the proliferation of street vendors. On the contrary, it increased since 1995 - the case of *Antorchista* vendors is an example of this proliferation. Before 1998 they did not have many affiliates, but since 1995 their number started to increase (Census 2000-03).

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[117] It also helped that the UFCP had very close links to the PRD. In 2004 the union's leader was also the state political representative of that party.

On the one hand, *Antorchista* vendors were not welcomed by other street vendor organisations and federal agencies. This rejection was due to their 'anarchic' behaviour which consisted of ignoring the tacit arrangements that vendor organisations established (*interview SLP_19*). One governmental agency against this organisation was the regional INAH office which stated that *Antorchistas* did not care in conserving old buildings in the city centre.[118] (*interview SLP_18*). On the other hand, the AM had the ability to build networks with municipal government to attain its needs and demands. This was observed through the Municipal General Secretary's Office.

Making a comparison between SLP and Querétaro, I observed that SLP municipal government's ability for having a special department dealing with opposing groups allowed an extra flexibility for communication with social organisations that Querétaro refused to have. Querétaro's orthodoxy in treating all citizens individually, increased the government's collective intolerance, which SLP did not follow, at least not since the 1993 street vendor repression. It might have been that the political costs of Potosin politicians encountered in 1993 (lack of mass support), which stopped SLP's forthcoming governments from being repressive and to have instead a steam-escape valve for contingencies. This difference between the two cases shows how social mobilisations can contribute to the changes in organisational mechanisms and methods that municipal governments use to include other social actors in the policymaking process.

Section 3. The middle class mobilisation

A fifth example of mobilisation illustrates the highly active participation of businesses and civil associations ran by middle and upper classes. Even though this participation has not been considered as a mobilisation in the past

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[118] Even though street vendors sold on the streets, in many cases they used historic and abandoned buildings for storage.

fifteen years, its origins come from an important mobilisation wave during the end of the 1970s and throughout the 1980s. It refers to the mobilisation promoted by the right and its aim for electoral democracy.

The mobilisation's objective in promoting democracy was also understood as a break from the authoritarian regime. Authoritarianism was defined by the central state's interventionism and limited pluralism within the policymaking process (see Section 2.3). The members forming this mobilisation started being the right wing representatives, such as entrepreneurial groups, the Church, and middle and upper classes in the northern region of the country. However, the infiltration of the mobilisation through the structures of the PAN reached other regions in the country, such as the Bajío.

The PAN has been considered as a class party which canalises the demands of the middle and upper classes (Loaeza, 1991: 9). The privileged groups - through the organisational structures of the PAN, their financial resources and education - were able to publicise their discourse through mass media (Espino, 2003, Loaeza, 1991; 1994). As a result, their understanding of democracy was included in the national political discourse. The mobilisation's aim for democracy was circumscribed to the electoral and political party grounds. Under this understanding political pluralism became one of the key attainments reflected nationally. This pluralism also came accompanied by liberal ideologies regarding the importance of the private and thus of particular interests; a reason that can explain partly the weakening of collective organisations and the promotion of individual methods of participation within *panista* projects.

A characteristic observed about this mobilisation was the encouragement that entrepreneurs had in getting involved into politics in a publicly and organisational way (Loaeza, 1991; 1994). The serious involvement of organisations like Coparmex and CONCANACO in the defence for a multiparty culture, in addition to the autonomy from government acquired by CANACINTRA, made out of business groups important participants within

politics at the national and local levels.[119] Thus it is not surprising to read throughout these chambers' websites and monthly bulletins their emphasis upon the importance about democracy, accountability and the need to negotiate with both the executive and the legislative power representatives.

In the cases of Querétaro and SLP, it was unsurprising to see how the politicians competing for electoral posts came from entrepreneurial backgrounds, such as the cases of Mayor Garcia and Governor Loyola in Querétaro and Mayors Pizzuto and Leal in SLP. Furthermore, the close links between local electoral posts and the presidency of the various different business groups is an example of the political participation of business-people. Other examples were two mayor candidacies in the 2003 elections. These candidates represented the Querétaro's Historic Centre Entrepreneurial Group (HCEG) - Federico Ibarra, and CANACO and *Nuestro Centro* in SLP- Fernando Pérez Espinoza. It is worth mentioning that none of these candidates represented the PAN. Mr. Pérez represented the PRI, while Mr. Ibarra was candidate for a local political party in Querétaro called *Fuerza Ciudadana*. This shows that the interests of entrepreneurs were not homogeneous, but that a wide range of interests prevailed, especially regarding the small and local businesses as opposed to big national and even transnational groups.

Both of these candidates were important promoters of the street vendor relocation carried out in 1993 and 1998, respectively. Their respective business associations the HCEG and *Nuestro Centro* organised the closing down of the city centre's shops and the demonstration outside the city hall and the state government headquarters. In the case of Querétaro, the interruption of one of the state congress' session by Mr. Ibarra, put pressure on passing the regulation regarding the municipalisation of the police in order to enhance social order (*interviews SLP_8, SLP_13, QRO_12*).

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[119] CANACINTRA was known to be a co-opted business organisation under the PRI regime.

The increasing public intervention that business groups had during the past years can be partly to the active legacies inherited by the middle and upper class mobilisations of the 1980s. However, the inclusion of many of these groups within the policy networks has stopped them from being a mobilisation becoming, instead, part of the political restructuring. This inclusion illustrates the continuous participation of various representatives from business groups, professional/academic groups, and civil associations in local expert committees, where collaboration between the private and the public sectors has been enhanced. In various cases, collaboration sessions have contributed to the rain of ideas to establish a policy agenda, in others they have influenced the policy formulation or implementation, and to a lesser degree they have been able to manage a fund.

The similar ways of canalising middle class' demands into Querétaro and SLP's municipal agendas does not mean that this fraction of society is monolithic. Fractions within this class exist and one possible way in which municipal governments deal with these differences is by giving to each group different tasks. To local and small businesses, the task of promoting the city centres (as it is in these areas where the number of small business prevails), on the one hand. To chambers as CANACINTRA and the Chamber of Construction (CMIC), projects dedicated to change the industrial space, on the other hand (i.e. the creation of an industrial park for small firms to free the city centre from factories and workshops that supply larger firms, or the construction of underpasses and bridges to unite distant areas in the city) (*interviews QRO_2, SLP_9*).

Appendix 2. The evolution of electoral institutions and decentralisation policies

Year.	Decentralisation policies	Policies to create competitive election (electoral reforms)
1947	National tax convention envisioned a centralised fiscal system.	
1977		Reform to the Law of Political Organisations and Electoral Procedures (LOPPE) in which proportional representation in Congress was stated.
1980	National System of Fiscal Coordination promoted administrative decentralisation. Paradoxically, the last tax convention was signed to centralise consumer tax.	
1983	Reform to the 115 Constitutional Article gave municipalities more autonomy to formulate and administer service delivery.	
1986		Reform to the LOPPE promoted proportional representation in state and municipal congresses.
1989		First state (Baja California) governed by the opposition (PAN).
1990		The Electoral Federal Institute became a decentralised agency.
1988-1994	Through 26 budgetary branch the PRONASOL federal programme was designed and implemented to promote infrastructure in marginalised communities. The federalist system was bypassed.	
1992	100 Cities federal programme was implemented to promote urban infrastructure in big and medium cities. In 2000 it increased its coverage to over 300 cities.	
1991-1996		Citizenship became an important element to legitimate electoral processes.
1995-2000	New Federalism searched for subnational autonomy (states and municipalities).	
1997	Reform of the Fiscal	PRI lost absolute majority in

	Coordination Law .	Congress.
1998	Creation of the 33 budgetary branch as a source of decentralising infrastructure planning at the municipal level. Among other strategies to decentralise education and health programmes at the state level.	International organisms promoted multi-actor responsibility in local governance (including the private sector and citizen participation).
2000-2006	New Federalism revisited.	For the fist time in 70 years an opposition party won the presidential elections (PAN).
2004	First National Treasury Convention that aimed to decentralise more than fiscal matters by promoting local development.	

Appendix 3. Laws and programmes where governance terms are identified.

The way I identified the understanding of governance was through the normative and political discourse within the urban legal frameworks affecting the localities of Querétaro and SLP. In many of these frameworks (summarised in table A.3) there were various articles referring to the collaboration and coordination between the three levels of government, as well as between the public, the private and the social sectors. Particularly, in those laws and regulations regarding planning and cultural heritage 'collaboration' was commonly mentioned. Even though the word governance was not explicitly used, conceptual ideas of what it meant were found. Box A.3 contains examples from some regulatory frameworks, where the relevance of interorganisational networks was implied in the urban policy process.

Box A.3. The use of governance as a concept in national and local legal frameworks

Example 1. National Development Plan:
'Changes are particularly powerful when they emanate from society and it is society the one participating in their implementation and evaluation. Consequently, it is necessary to assure that the responsibility for national development is *shared* between government and the population' (PND 2001-06, p.29; my translation and emphasis)

Example 2. Federal Law of Archaeological, Artistic, and Historic Monuments and Sites:
'The National Institute of Anthropology and History and the National Institute of Arts and Literature...will organise and authorise civil associations, neighbourhood boards, and peasant unions as *auxiliary* organisms to avoid archaeological ransacking and to preserve national cultural heritage' (1972, art. 2; my translation and emphasis).

Example 3. Urban Code of the State of Querétaro:
The State Governor may:
'Sign agreements with other state secretariats o parastate agencies, municipal authorities and citizens to *coordinate* the solution to the problems that affect urban development' (CUEQ, 1992, art. 7; my translation and emphasis).

Example 4. Urban Development Plan of the State of San Luis Potosi (2001-2020):
'...social participation [through State Urban Development Councils] will consist of:
Formulating, modifying, evaluating and monitoring urban development plans and programmes...
...*Financing and operating* strategic urban, housing, industrial, trade, and tourism projects
...*Protecting* cultural heritage within population centres...'
(PDU_SLP, 2001; my translation and emphasis)

In the documentary review, words such as 'co-responsibility', 'collaboration', 'co-investment', and 'coordination' were easily identified. Collaboration and coordination were commonly implied between different levels of government and the public and the private sectors. The terms business or entrepreneurial were not directly used; however, a clear reference focused towards some business chambers (especially those related to construction and housing which are relevant for urban development). Also, professional and academic groups were mentioned as supervisors or providers of technical knowledge. Other forms of civic associations were mentioned as well, such as neighbourhood boards, school boards, and peasant or workers associations. The word 'co-investment' was found, meaning that the pool of financial resources could be attained by public and private sectors, but no other regulation was found about the way of attaining or managing these resources. The lack of complementary regulations might be considered a factor that helped to maintain informal arrangements between the parts involved.

In several of these documents it was mentioned that citizen participation should be included, promoted and stimulated in the planning and development of a place. However, the way each document interpreted participation was very wide and confusing. This participation could be understood under the participatory systems promoted by each locality (which are highly linked to the fiscal decentralisation policies promoted by central government in the use of federal allocations through Branch 33). Sometimes this participation, as in the case of the Organic Municipal Law of Querétaro State, referred to civil society in general, which can be interpreted by civil associations and individual citizens. However, in the same Law, participation referred to a diverse range of organisations and civil groups representing communities and citizens; implying that social organisations sponsored and not sponsored by government were taken into account. In other cases, it was stated that only the organised society had the right to participate, which can be interpreted as only legally registered

organisations could participate (based on State Urban Development Law of SLP).

This wide range of understandings shows how local authorities did not structure in an orderly and clear way the forms of participation. Nevertheless, this does not mean that they did not make a classification about these forms. The classification existed, but it was not fully written or documented as a whole system of participation. I observed that each form of participation had either its explicit (regulation framework) or tacit arrangements. The explicit way showed a more complicated organisational and functional structure as with the case of neighbourhood boards; whereas with expert councils or popular negotiations the operation and structure were more relaxed. The word partnerships was not used in the regulatory discourse; however, it was identified through public-private associations that formed part of the state and municipal citizen participation systems.

The three approaches to participation (expert committees, neighbourhood boards, and urban-popular negotiations) reflect the operational side of what was established by national and local programmes and legal frameworks, such as:

- Plan of National Development (promotes coordination between different levels of government and social participation)
- Programme for an Authentic Federalism (enhances municipal government's capabilities for urban planning)
- Social Development Agreement and Law of Fiscal Coordination (indicates how federal transfers and allocations should be used by state and municipal governments to promote urban development, among other issues)
- Planning Laws (federal and state level which ensure municipal development plans are elaborated, introducing social or citizen participation)

Table A.3 provides more detail:

Table A.3. Urban planning coordination between tiers of government

Federal	Terms of governance
National Plan of Urban Development,1995-2000 National Programme of Urban Development and Territorial Ordering, 2000-06 Plan of National Development, 2000-06 Programme for an Authentic Federalism, 2000-06 Law of Federal Planning, 2002 (Art. 20, 20 bis) Law of Fiscal Coordination, 2003 General Law of Human Settlements, 1993 (Art. 49 - frac I; 50) Federal Law for Archaeological, Historical and Artistic Monuments and Sites, 1986 (Art. 2) Programme of 100 Cities, 1992	In summary all these laws, plans and programmes aim to promote urban competitiveness. A special emphasis is given to the primary urban system where 118 metropolitan areas (SLP and Querétaro included) are identified. These documents respond to the urban decentralisation process that Mexico has experienced since the early 1990s and respond to the economic national development (influenced by economic globalisation changes). These documents aim to improve the quality of urban services, equipment and infrastructure in order to enhance municipal government's planning and managing capacity (i.e. territorial ordering, land use, conservation of historic sites, urban poverty). All of them underline the importance of coordinating efforts between the three levels of government and collaborating between public and private sectors, as well as promoting social participation to formulate, implement and evaluate urban plans and programmes.

Querétaro	Terms related to governance	SLP	Terms related to governance
State Planning Law, 1996 (Art. 8, 22, 23)	Planning requires of civil society's incorporation, this responds to a scheme of democratic agreement. This law establishes the management of the social participation councils and coordination between the three levels of government.	State Planning Law, 2001 (Art. 8, 12, 15, 38, 40)	Strategic planning requires coordination between three levels of government and the participation of the social and private sectors. This last aspect enhances democracy.

Urban Code 1992 (Art. 7, 11, 242, 243)	Enforces that the state governor and the Secretariat of Urban Development and Public Works promote social participation (particular citizens and popular groups). It establishes the State Urban Development Commission that works as an advisory organism represented by public and private organisations. It suggests that municipal governments can create similar advisory bodies with municipal inherence [i.e. expert councils].	State Urban Development Law, 2003 (Art. 9, 19, 97)	Municipal authorities should promote the participation of different social groups in elaborating plans and programmes regarding the ordering of population centres.
Municipal Organic Law of the Municipality of Querétaro, 2001 (Art. 70, 126)	Establishes the social participation municipal councils in Querétaro State. These councils are a space for the community to participate in the formulation, validation and evaluation of municipal programmes. The councils should be formed by various civil organisations and associations representing citizens and the community.	Administration Law for Transferred Allocations to State and Municipalities of SLP, 2003 (Art. 65)	Enforces the creation of Municipal Councils of Social Development as the main organs helping municipal government in the decision making of the resources coming from Branch 33.

Law of Cultural Heritage Protection, 1991	States that the architectural heritage and urban conservation require of community participation and governmental agencies to define, monitor, and execute the actions that rescue invaluable heritage.	Law of Cultural Heritage Protection, 2003	Establishes the creation of the State Council of Cultural Heritage Protection as a councillor body with technical knowledge to advice on the regulations of cultural heritage. This council is formed by state bodies such as the Secretariats of Education and Urban Development and Public Works, the institutes of culture and arts; representatives from museums, NGO's, universities and professional groups with knowledge on history, and anthropology; and representatives from indigenous groups within the state.
Coordination and Collaboration Agreement for the Protection, Conservation, Restoration, Recovery and Diffusion of the Cultural Heritage in Querétaro City, 1995	Establishes an agreement between the INAH, state government and the municipal government of Querétaro to simplify paperwork for building restoration and construction in the city centre.	Intergovernmental Agreement for the Protection, Conservation, restoration and Diffusion for Architectural and Historical Monuments, 1995	The INAH, state government, municipal government of SLP and the Chamber of Commerce (in particular Nuestro Centro) agree to elaborate a campaign for preserving the municipality's cultural heritage, directed to all sectors of the population. Also this agreement involves paperwork simplification regarding building restoration and construction in the city centre.

Review of the Partial Plan of Urban Development of the Historic Centre, 2002	It promotes collaboration and support between different levels of government to achieve urban infrastructure and services necessary to comply with national and exterior competitive markets. The historic centre is considered as a key area due to its population density, its concentration of cultural identity, and for being the economic and political core of the municipality and the state.	Urban Development State Plan 2001-2020	It aims to consolidate the main cities in the state, especially the metropolitan area of SLP. It also aims to promote industrial development through basic infrastructure and by promoting private and social investment, This last point enhances the creation of the State Urban Development Councils that work as advisory bodies.
Institute of Municipal Planning Decree, 2002 (Art. 5)	Establishes that the institute aims to formulate an integral sustainable planning. This accompanied by citizen participation within the institute's deliberative council, also formed by municipal congress representatives, the city mayor, and the institute's director.	Organic Law of the Free Municipality, 2000 (Art. 101-107)	Establishes the way the system of citizen organisms and the auxiliary organisms work in all municipalities within San Luis Potosi State.
		Regulation for the Integration and Operation of the Citizen Participation Organisms in the Municipality of SLP, 1997	Refers to the system of citizen organisms which aim is to present proposals to municipal government related to urban planning and programming; as well as to negotiate and manage with authorities, the urban services required by residents and communities.

Regulation of the System of Social Participation Councils in the Municipality of Querétaro, 1998	Establishes that municipal authorities should promote planning and social participation in governmental management. It also underlines that the population should be informed about and to suggest solutions regarding its primary needs. Any citizen of Querétaro is able to participate in the system subject to an honest way of living and to service disposition. In the case of the technical councils, citizens should have technical/academic knowledge on the topic the council is advisory of.	Partial Plan for the Conservation and Urban Development of the Historical Centre, 1993	Underlines that the promotion of the historical centre requires of financial support; adequate infrastructure; conservation and restoration, and of interaction between state and municipal government and national and international programmes. Also an economic reactivation is required by promoting culture, tourism, trade and real estate businesses.
		Regulation for the Integration and Operation of the Municipal Auxiliary Organisms in the Municipality of SLP, 1998	Refers to partnerships, boards, and trusts between different level of government or between public and privates sectors that aim to offer a social or public service, the goods or resources owned by the municipality, scientific or technological research, and the pooling of resources for social assistance and security issues.

Appendix 4. List of interviews carried out in Querétaro and SLP

Notes:
(*) These interviews were conducted during the pilot project.
Interviews coded with an 'R' such as QR and SLPR refer to non-recorded interviews.

Querétaro

	Code	Interviewee	Post	Date interviewed
1	QRO_1	Manuel Ovalle	Municipal officer: responsible for carrying out street vendor relocation programme during 1997-2000	18 May 2004
2	QRO_2	Sergio Villaseñor	Canacintra's president during fieldwork period	2 June 2004
3	QRO_3	Alfonso García	Queretaro's president of the National Chamber of the Development and Housing Industry during fieldwork period	7 June 2004
4	QRO_4	Esperanza Palacios and Francisco Sánchez	Members of the Fundación Encuentro Queretano, a civil organisation in charge of promoting Queretaro's cultural heritage	16 June 2004
5	QRO_5	Laura Dueñas	Secretary of Social Development during the García administration	15 June 2004
6	QRO_6	Guillermina Gamboa	Neighbourhood committee president - Jardínes de Querétaro	23 June 2004
7	QRO_7	Manuel Rivero	Active member of the Historic Centre Board	23 June 2004
8	QRO_8	Enrique Jaime Briceño	Active member of the street vendor association – Felipe Carrillo	24 June 2004

			Puerto Union	
9	QRO_9	Yadira González	Street vendor in the Libertad Alley in the city centre	25 June 2004
10	QRO_10	Hector Benítez	Street vendor leader of the Handcrafters Cooperative of Libertad, located in the city centre	16 July 2004
11	QRO_11	Fermín Cano	Neighbourhood committee president during 2000-03 – San Francisquito	27 July 2004
12	QRO_12	Federico Ibarra	Leader of the Historic Centre Entrepreneurial Group and mayor candidate during the 2003 elections, representing the *Fuerza Ciudadana* Party	29 July 2004
13	QRO_13	Carlos Lugo	Neighbourhood committee president– Alcanfores	7 August 20004
14	QRO_14	Jesús Rodríguez	Municipal president 1994-1997	9 August 2004
15	QRO_15	Victor Morel*	Director of the Historic Centre Board	11 December 2003
16	QRO_16/Qro_16 bis	Rolando Garcia*	Municipal president 2000-03.	16 December 2003 and 12 January 2004
17	QRO_17	Carlos Garza*	Querétaro's Coparmex president during pilot project	8 December 2003
18	QRO_18	Consolación Gonzalez*	Municipal congresswoman representing the PRD, 2003-06	10 December 2003
19	QRO_19	Elsa Doria*	Member of Alianza Cívica	13 January 2004
20	QRO_20	Roberto Ramos*	Director of the Queretan Environment Trust	13 January 2004
21	QR_1	Jaime Font	Director of Sites and Monuments,	22 June 2004

			State Secretariat of Public Works in Querétaro	
22	QR_2	Diego Prieto	Director of the INAH in Querétaro	29 June 2004
23	QR_3	Javier López	Conservation officer at INAH	30 July 2004
24	QR_4	Ernesto Becerril	Ex-member of staff of the Historic Centre Board and consultant in ICOMOS	8 July 2004
25	QR_5	Solange Díaz	Ex-member of staff of the Historic Centre Board	15 June 2004
26	QR_6	Carlos Bringas	Municipal officer in charge of ordering street vendors and tianguis in Querétaro	9 June 2004
27	QR_7	Jerónimo Sánchez	FIOZ leader during 1998 riots	5 August 2004
28	QR_8	Salvador Conchola	Member of the PRD in Querétaro	16 June 2004
29	QR_9	Fausto Marquez	Municipal officer of IMPLAN	31 May 2004
30	QR_10	Alfonso Camacho	Coordinator of the Queretan Feast Board	16 July 2004
31	QR_11	Joel Perea	Head of Social Participation at the Historic Centre Delegation	26 July 2004
32	QR_12	Mauricio Cobo and Salvador Herrera*	Municipal officers during 1997-2003. They participated in the *Encuentros* programme and in directing and managing the IMPLAN	15 January 2004
33	QR_13	Pamela Siurob	Director of the Environmental Information Centre and candidate for mayor in the 2003 elections, representing the *Mexico Posible* Party	Between 21 June and 2 August 2004
34	QR_14	Manuel	President of the	26 July 2004

		Amieva	Industrial Club in Querétaro in 1999	
San Luis Potosí				
	Code	**Interviews**	**Post**	**Date interviewed**
35	SLP_1	Carlos Garrocho	Public officer in the State Secretariat of Economy in SLP during the 1997-2003 administration	14 May 2004
36	SLP_2	Alejandro Zapata	Municipal president 1997-2000	7 July 2004
37	SLP_3	Jorge Enrique Correa	Municipal Director of Urban Planning and Development, 2000-03. However he has worked in related posts since 1997	19 July 2004
38	SLP_4 /SLP_4 bis	Manuel Vildósola	Director of Historic Centre Consultative Council	20 July 2004 and 5 October 2004
39	SLP_5	Guillermo Pizzuto	Municipal president 1989-1991 and an active member of Navismo since the 1980s	18 September 2004
40	SLP_6	Eduardo Martínez Benavante	Active member of Navismo in the early 1990s and current local deputy representing the PRD	21 September 2004
41	SLP_7	Adrián Humberto Mata	Head of the cultural civil association: *Asosiación Patrimonio Pro-defensa del Patrimonio Histórico, Cultural y Natural del Estado de SLP*	27 September 2004
42	SLP_8	José Luis Lozano	Member of Nuestro Centro and president of	15 October 2004

			CANACO in SLP during the early 1990s	
43	SLP_9	Jorge Luis Méndez	President of the Chamber of the Mexican Construction Industry in SLP during the fieldwork period	19 October 2004
44	SLP_10	Concepción Paz	Neighbourhood committee president – Prados San Vicente and member of the CDSM from 1997 to 2003	19 October 2004
45	SLP_11	Juan Colorado	Neighbourhood committee president – San Juan Guadalupe	20 October 2004
46	SLP_12	Fernando Chavira	Municipal subdirector of Citizen Participation during the 2000-03 administration	20 October 2004
47	SLP_13	Manuel García Porrero	President of Nuestro Centro during fieldwork period	20 October 2004
48	SLP_14	Angel Mena	Neighbourhood committee president until 2002 – San Sebastían	22 October 2004
49	SLP_15	Urbano Díaz de León	President of the Historic Centre Consultative Council	25 October 2004
50	SLP_16	Ramón Alonso.	Neighbourhood committee president 2000-03 – Himno Nacional 1a sección	26 October 2004
51	SLP_17	Juan A. Rodríguez. Chessani	Former street vendor leader of the Historic Centre Association in the early 1990s	27 October 2004
52	SLP_18	Begoña Garay	Conservative officer at INAH,	29 October 2004

			SLP	
53	SLP_19	Raúl Pérez	Secretary of the Xicoténcatl Tianguis in San Juan Guadalupe Neigbourhood	3 November 2004
54	SLP_20	Romel Alanís	Leader of the Antorchista Movement in SLP during fieldwork period	7 November 2004
55	SLPR_1	José Jottar	Municipal director of Commerce during 1991-1994 administration	21 October 2004
56	SLPR_2	Vianey Cruz	CDSM coordinator, Municipal Direction of Citizen Participation during the 2003-06 administration, but worked in related posts since 1997	6 October 2004
57	SLPR_4	José Luis Mendoza	Municipal officer at the Coordination of Citizen Attention, Municipal General Secretariat	22 October 2004
58	SLPR_7	Jose Luis Dorantes	Director of Coparmex in SLP during fieldwork period	19 July 2004

Appendix 5. Case study questions and topic guides

The case study questions were used firstly, to guide the data collection throughout the fieldwork and secondly, to compare both case studies across the same themes. These questions were grouped into five different topics:

(a) Urban development

- Is the city aiming to develop entrepreneurship? (be creative/ innovative and developing strategies to maintain this)
- How has the city changed in the last 20 years? (socio-economically, politically, in population, shape/space)
- Have decentralisation policies encouraged the municipality to become more proactive within the urban policy decision process? (pros and cons)

(b) Partnerships

- Do the relationships between the public (state/municipal) and private sectors tend to become a form of urban governance (to obtain resources otherwise not attainable)?
- Are partnerships helping the city to build an entrepreneurial profile?
- What is the nature of partnerships?
- How do they operate? Who operates them? Who is part of it?

(c) Trust

- Are partnerships a mechanism that increases trust between public and non-public stakeholders? (as they are publicly known, legally constituted, more propensity to be accountable)

(d) Capacity-building

- Are partnerships willing to include other groups/sectors different to the public and local elite groups? What have been their strategies?

- Are partnerships an organisational form followed by municipal government to become more collaborative and inclusive? (in terms of accountability, management, citizen/community involvement)

(e) Participatory methods

- What participatory methods exist as a way to involve citizens and communities into the urban policy process? (i.e. informative, consultative, strategic in decision making)
- Are these methods linked to the partnerships' aims and strategies or do they work independently from partnerships?
- Have these methods increased social organisations' capacity of negotiation with government and other sectors of society? (more of a say in policymaking and more *solid*[120] social networks)

Documentary analysis:

The case study questions were operationalised for the purposes of data collection. The following questions were used to structure the documentary analysis.

- What is the role of municipal government in promoting urban development?
- What is the role of federal/state governments within municipal urbanisation?
- How do transnational corporations/ international organisations intervene within municipal urban policymaking?
- What are the factors that promote/ facilitate public private partnerships regarding urban development?[121]
- What other collaborations have been formed apart from public-private partnerships –regarding urbanisation? With whom?

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[120] Solid is understood by proactive and long lasting relationships within social organisations and between social organisations and other sectoral groups.

[121] This question includes factors regarding the modernisation of the municipal government through new public management strategies as a form to enhance capacity building.

- What collective participatory methods exist to complement public-private partnerships regarding urbanisation?[122]
- How the partnership's work organised? (aims, strategies, activities, operation and practice)
- What mechanisms are followed to attain a long lasting collaboration/ partnership – regarding urbanisation?
- Are these mechanisms flexible to incorporate new demands or changes?

Semi structured interviews:

Based in the case study questions, the following topic guide was used during the interviews.

Topic: Partnerships regarding urban development (regeneration)

- How would you describe the evolution of public-private partnerships at the municipal level?
- Can you describe the procedure of a decision taken by the partnership?
- Is there a group/person that dominates the partnership's sessions?
- Can you describe any reaction to such partnerships coming from a group of society?
- How would you consider partnerships within the municipal policy process?

Questions asked to municipal politicians/officers and members of private groups

Topic: Trust

- Can you recall any past experience in collaborating with the local authorities (or private/social groups)?
- Is it possible to identify a leader within the organisation?
- Can you describe the leader's abilities and skills?
- Do you meet with any other members (of the organisation) out of established meetings?

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[122] Participation methods refer to expert committees, neighbourhood boards, and urban popular negotiations

- What is the contribution of your organisation within the partnership? Has this contribution been successful?

Questions asked to municipal politicians/officers and local private and social groups

Topic: Capacity-building for collaboration

- Can you describe the mechanisms that the partnership (or organisation) follows in order to inform the community benefiting from the projects carried out?
- Do you think the partnership (organisation) has developed a capacity for community involvement in regeneration issues?

Questions asked to municipal politicians/officers and local private and social groups

Topic: Collective participation (regarding urban development)

- What are the ways for social organisations to participate within the urban policy process?
- How social organisations perceive public-private partnerships regarding urban development?
- Can you describe the development of your organisation in the last ten years?
- What new relationships has the organisation built in the past years?
- Do you consider that the actual methods of citizen participation are an achievement of past social mobilisations?

Questions asked to members of social groups